



Daily Report

Soviet Union

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1 November 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NOTICE TO READERS: The United States Government recognizes the independence of Estonia, Latvia, and Lithuania.

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Arms Control & Disarmament

U.S. Requests Carpathian Military Inspection

PM3010145591 Moscow KRASNAYA ZVEZDA
in Russian 29 Oct 91 First Edition p 3

[Unattributed report under the general heading "Official Chronicle"]

[Text] In accordance with the provisions of the 1990 Vienna Document on Confidence- and Security-Building Measures in Europe, the U.S. Government issued a request to the Soviet Union 24 October 1991 on the holding of an inspection of military activity in the Carpathian Military District.

The U.S. request on the holding of an inspection has been granted. An inspection group comprising four representatives of the U.S. Armed Forces arrived in Lvov 27 October this year, and will conduct an inspection in the region in question 28-30 October this year.

Worldwide Issues

Pankin Meets Israel's Shamir in Madrid

LD3110231791 Moscow TASS in English
2233 GMT 31 Oct 91

[By TASS special correspondents Gennadiy Petrov, Yuriy Pometov, Viktor Khrekov and Vladimir Shekhovtsov]

[Text] Madrid November 1 TASS—Soviet Foreign Minister Boris Pankin on Thursday [31 October] met Israeli Prime Minister Yitzhaq Shamir, who heads the Israeli delegation at the Middle East peace conference in Madrid.

Pankin and U.S. Secretary of State James Baker act as co-chairmen at the conference.

Pankin told TASS the meeting with Shamir was held within the framework of contacts between the co-chairmen and the heads of delegations attending the conference.

They discussed bilateral relations, including the exchange of ambassadors. The two countries have re-established diplomatic ties earlier this month.

"We decided not to put it off because it will help invigorate real practical multilateral ties," Pankin said.

Commenting on the results of the first two days of the conference, Pankin said "reassuring results" have been achieved.

The conference has been addressed by all main participants. On Friday [1 November], the floor will be given to the co-chairmen, and speeches are expected to be not longer than 15 minutes.

"I hope the sides will agree to continue this stage of the conference in bilateral talks," Pankin said.

Foreign Minister Remarks on Madrid Talks

LD3110231891 Moscow Central Television First
Program Network in Russian 2055 GMT 31 Oct 91

[From the "Television News Service" program"]

[Text] And now, Boris Pankin, USSR minister of foreign affairs, will talk about the position of the Soviet delegation at the Madrid conference

[Pankin] It is not for nothing that we have the saying: A good start is half the battle. And the fact that the conference has even gotten together—if we recall the difficulties which stood in its way—then this is already a major step toward peace, a major step in the sphere of the actual peace process itself.

Regarding the speeches, then in the final analysis, the sides laid out their positions, and it is natural that all of the sides and every delegation tried to put across its stand as firmly as possible. This is the logic of conferences of this sort, therefore, there is nothing in this to particularly alarm us.

At the same time, I am sure that the sort of atmosphere has been created here which disposes everyone to go on further in the bilateral talks which could start at any moment, and which will probably start—they will start to talk in a working, businesslike way, without emotion, although you know that the problems here are very serious and it will be very difficult to find agreement. But we do have good examples: There is that conference on Cambodia which ended a week ago, at which I had the pleasure and honor to sign the document in the name of the Soviet Union. So I would say that I am nevertheless, an optimist.

Results Called 'Reassuring'

LD0111090191 Moscow TASS International Service
in Russian 0829 GMT 1 Nov 91

[By TASS special correspondent]

[Text] Madrid, 1 Nov—A stage of plenary sittings at the peace conference on the Near East is nearing conclusion in Madrid today.

On the final day, representatives of the delegations of member countries, USSR Foreign Minister Boris Pankin, and U.S. Secretary of State James Baker, who are chairing the sitting, are delivering short speeches. A joint news conference by the leaders of the foreign political departments of the USSR and United States is expected.

Summing up the results of the first two days of the forum in an interview with TASS correspondents, Boris Pankin termed the results which have been achieved reassuring, and expressed the hope that the participants would agree on a transfer to the next stage of the conference—direct bilateral talks.

Remarks on Palestinians Rights*LD0111123991 Moscow TASS in English
1223 GMT 1 Nov 91*

[Text] Madrid November 1 TASS—"Even though emotions sometimes came to a head, the delegation heads at the peace conference on the Middle East concentrated their attention on solving problems that turned the Middle East into the globe's powder keg," said Soviet Foreign Minister Boris Pankin.

Speaking at the closing of the first stage of the Madrid conference today, Pankin noted this forum could change the destiny of the Middle Eastern region. Emphasising the need to implement the Palestinians' right to self-determination and return the land to their lawful owners, he pointed out that the Palestinian and Israeli states should co-exist in this region.

Pankin favoured establishing control over the dangerous arms race in the Middle East.

Initial Stage Closed*LD0111142291 Moscow TASS in English
1413 GMT 1 Nov 91*

[By TASS special correspondents]

[Text] Madrid November 1 TASS—Remarks by Soviet Foreign Minister Boris Pankin and U.S. Secretary of State James Baker in Madrid today closed the first stage of the peace conference on the Middle East.

The next stage—bilateral talks between Israel and Arab Countries—is to begin in the Spanish capital on Sunday [3 October].

After Pankin, who chaired today's session, proclaimed the completion of the plenary meeting, Syrian Foreign Minister Faruq al-Shar' suddenly took the floor. He "specified" that the conference "closed" and that it will resume work after all parties reach a corresponding agreement.

Pankin and Baker, who are co-chairmen of the Middle East forum, held a news conference in Madrid today.

Iranian Statements on Madrid 'Unacceptable'*LD3110184491 Moscow TASS International Service
in Russian 1750 GMT 31 Oct 91*

[Text] Moscow, 31 Oct (TASS)—The USSR Ministry of Foreign Affairs today issued a statement in connection with remarks made by representatives of the Iranian parliament. It says:

"Over the last few days, the attention of the peoples of the Near East and the whole world has been riveted on the Madrid peace conference, which they regard as an event of historic significance. It is being welcomed both in the Arab countries and Israel, in the West as well as the East, and by Christians, Muslims, and adherents of other creeds alike.

"Against this background, statements made by M. Karrubi, the speaker of the Iranian parliament, and member of parliament A. Mohtashemi, have sounded a sharply discordant note. They attempted to interpret the Madrid forum as a declaration of war on Islam. Threats of physical retaliation against the participants in the Madrid meeting were even made. By any standards, such statements by Iranian figures can be described in no other terms than as unacceptable. The fact that they were made within the walls of such an august body as parliament is the cause of particular regret.

"One would like to hope that the statements by M. Karrubi and A. Mohtashemi do not reflect the real mood in Tehran and that the leadership of the Islamic Republic of Iran will demonstrate political wisdom and realism and will use the opportunities it has at its disposal to promote the establishment of calm in this sensitive region of the world."

Israeli Officials Remark on Madrid Conference*LD3110213591 Moscow Radio Rossii Network
in Russian 1800 GMT 31 Oct 91*

[Text] Israeli Deputy Foreign Minister Netanyahu, in a conversation with journalists, expressed his satisfaction with the progress of the Madrid conference. The Israeli delegation is using the linkage between the peace process in the Near East and the development of democracy in the countries of the region which has been expressed in the speeches made by the Presidents Bush and Gorbachev. The deputy minister said that peace will come to the Near East when the Arab countries establish democracy as has been done in Israel. He did not answer the question whether the actions of Israeli Army in the occupied territories are democratic.

David Kimche, adviser to the Israeli delegation and former director general of the Israeli Foreign Ministry, told a RUSSIAN INFORMATION AGENCY correspondent that the first step toward peace has been made. The Arabs and Jews are being led by the arm to it although they are also capable of doing this without assistance. According to Kimche, direct talks between Israel and the Arab countries are expected to begin in the Near East.

The Palestinians positively assessed the role of the USSR and the speech by Mikhail Gorbachev. At the same time, the head of the consultative group of the Palestinian delegation, called it constructive in spirit but not complete in respect of the working out of the main aspects of the Near East problem. He complained of the poor attention the USSR side paid to Palestinians in Madrid.

Madrid Postures, Gorbachev Role Assessed*PM011113591 Moscow IZVESTIYA in Russian
1 Nov 91 Union Edition p 5*

[Report by special correspondents V. Vernikov and A. Ostalskiy: "Madrid Conference Surprises"]

[Text] Madrid—Mikhail Gorbachev startled the participants in the Madrid conference on the Near East on 30 October when he stated that an even more serious crisis than the one in the Near East is brewing in the Soviet Union. "The world has recently been confronted by yet another crisis on a colossal scale. I am thinking of my own country," Gorbachev said. "The world community is increasingly beginning to realize that what is happening in the Soviet Union is greater than any regional conflict and affects the vital interests of the bulk of the modern world."

These statements caused journalists to draw the conclusion that the USSR is so absorbed in its own internal problems that it is no longer in a position to play a serious role in the Near East. However, the U.S. President does not share that opinion, stating that his country would like to "involve the Soviet Union in the process of positive changes in the Near East." Nevertheless these ideas regarding our role are partially borne out by small yet, in the view of certain journalists, telling facts. George Bush had occasion to meet with the heads of several Arab delegations before leaving Madrid, but Mikhail Gorbachev did not. The American press center is constantly distributing printed material and holding briefings, whereas the Soviet one is empty for the most part. Even Gorbachev's speech at the opening of the conference was distributed with considerable delay compared with the speeches of other speakers, and then only in Spanish.

One Arab observer came up with a fresh perspective on Gorbachev's speech. "Maybe the Near East settlement, provided, of course, that an appropriate mechanism is worked out, will help create a precedent for resolving the ethnic conflicts rending the Soviet Union too?"

Okay, but what about the Near East itself? Surprising though it may seem, both sides are content with the two presidents' stance. True, a small demonstration by people accusing the U.S. Administration of "betraying Israel's interests" did take place in Madrid. At James Baker's briefing on 30 October shouts of condemnation against Washington were also heard, and one member of the Israeli delegation told us that, in his opinion, Soviet policy was currently more friendly toward Israel than U.S. policy. However, officially both Arabs and Israelis are voicing satisfaction.

The secret of the U.S. diplomacy's success was Washington's proposal that the sides avoid discussing the crux of the problems relating to the conflict prior to the conference. But now, to prevent the conference from collapsing when it has scarcely started, it is essential to help fashion the first compromises and the first steps by the sides toward each other. In his speech George Bush proposed a universal peace formula based on "justice and security." Justice, that is, for the Palestinians, and security for Israel. But the U.S. President avoided using on this occasion the expression "land for peace," which particularly irritates Shamir. Instead Bush devised something new, talking about the need for "territorial compromises."

Meanwhile, Israeli Prime Minister Yitzhaq Shamir on 30 October repudiated what he had said. He stated that, despite the impression created from his previous speech, he remains flatly opposed to territorial concessions. As if in response to this the Palestinians also hardened their position: Faysal al-Husayni, the behind-the-scenes leader of their delegation (officially he does not even figure in the delegation), told journalists: "Any settlement must be based on UN Security Council Resolution 242. And our understanding of that resolution is that Israel must leave all the territories occupied in 1967. As far as changing the borders for the sake of security is concerned, however, that is a subject for future talks between free sovereign states."

But if the positions of the sides are so opposed, what will they talk about at the proposed bilateral talks? These talks are to start (it is not yet known where—Israel is seeking to insist that they be actually held in Near East capitals) after the end of the first, ceremonial stage at the end of this week. Multilateral talks are to be held some time after, but these are to discuss problems of a general nature—water and power supply, arms control, and so forth.

As far as the Palestinian problem is concerned, the first stage of the talks could take about a year. The Palestinians should then obtain a system of provisional self-government, which would continue for five years. And what then? Clearly it is necessary to understand that then, in the Americans' opinion, the time will have come to tackle the problem of the Palestinians' self-determination within the framework of a territorial compromise. But the U.S. President did not utter those words aloud.

However, it seems that the time is coming when a spade will have to be called a spade. Is it possible to continue dialogue, given this? Observation of what happened in the conference session hall on 30 October inclines one to be pessimistic. The adversaries not only dispense with the handshakes dictated by basic courtesy, but even avoid looking one another in the eye. This is how some delegates answered the journalists' enquiry about why they had not taken the opportunity for some straight talking with anyone "from the other side." Z. Shoval, a member of the Israeli delegation: "That is a difficult thing to do for the moment." Jordanian Foreign Minister Kamil Abu-Jabir: "But why should the Israelis not do so first?" H. 'Abd-al-Shafi, leader of the Palestinians: "This still has to be learned."

In short, it is no wonder that both the U.S. and USSR presidents stressed in their speeches that the conference is just the beginning of a long, hard road to peace in the Near East. But, as Gorbachev said on this, "a unique chance is being offered today. It would be unforgivable if it were missed."

...The small amount of time remaining to Mikhail Gorbachev after the opening of the conference and before his departure for France was pretty packed. His conversation with Spanish Prime Minister Felipe Gonzalez lasted two hours, followed by a news conference held in the

open air or, more precisely, on the steps of the Spanish prime minister's residence. Journalists have not yet been apprised of the content of the conversation, but some interesting details did nevertheless surface during the meeting with the press.

Felipe Gonzalez assured his interlocutor that "Spain's contribution to stabilizing the situation in the USSR will be the maximum possible" and that he hopes the Soviet Union will be preserved.

CSCE Human Rights Conference Assessed

PM3010161691 Moscow NEW TIMES in English
No. 40, 8-14 Oct 91 pp 22-23

[ARTICLE by Sergey Kovalev, chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet Human Rights Committee: "The West Turns Down the Soviet Demand for Control"]

[Text] Each delegation attending the CSCE Conference has clear instructions from its government as to which position it must assume and which proposals it must make. At the end of July - beginning of August of this year similar instructions were worked out for the Soviet delegations as well. The instructions, written in the spirit of the Vienna and Copenhagen concluding documents and Paris Charter For a New Europe, abounded in florid general expressions, but also contained recommendations to avoid or to obstruct the discussion of some agenda items, referring to the principle of non-interference in internal affairs. In effect, this was a return to the stance the Soviets had always taken at international fora. The initial draft of the instructions was rejected by the leadership and parliament of Russia, and Russia said it would not take part in the Moscow CSCE Conference on the Human Dimension. The ultimatum from the Ministry of Foreign Affairs of Russia could have been accepted, especially as it was supported by the union Foreign Ministry whose staff negotiators usually make up the bulk of Soviet delegations at such conferences. It is difficult to say whether Russia's stance would have been honoured: after the August putsch all of Russia's demands were immediately satisfied. As we worked out the final version of the instructions for the Soviet delegation, we had an opportunity to formulate our position on concrete issues to be discussed at the conference proceeding from our own ideas, the law, and the international commitments of the Soviet Union.

As a result, the Soviet delegation arrived at the conference with a package of proposals which consisted of three main points. First, it is necessary to set up effective mechanisms of CSCE control. Second, it is necessary to pay attention to the procedure of and control over the imposition of a state of emergency (a painful question for the Soviet side to be sure). Third, we believed it is necessary to enhance the role and the status of public organizations in the CSCE process.

So far, the results of such international conferences on the human dimension have been as follows: the participating states proclaimed some international principles and

declared their readiness to observe those principles in their policies and law-making and to implement them in their countries. In other words, delegations used to come up with declarations of intentions, which were not legally binding on the participating states. All the basic principles have been proclaimed in recent years in such documents as the concluding documents of the Vienna and Copenhagen Conferences and the Paris Charter For a New Europe. It was difficult to expect the Moscow Conference to add anything new to what has already been achieved. At the same time, despite a number of declarations, the situation with the issues relating to the control over the observance of the declared principles remains unsolved.

The Soviet proposal at the Moscow Conference stipulated establishing control posts or the office of observers, reporters and independent mediators posted in countries notorious for massive and systematic human rights abuses. The Soviet delegation also suggested that states be denied the right to refuse to accommodate a control mission.

The Soviet delegation also supported the German proposal which included two aspects which were quite new for the CSCE process: the question of sanctions against the states violating human rights and the question of consensus. The essence of the German proposal was as follows: in the event of systematic and massive human rights abuses in any CSCE state, other CSCE participants have the right to take any measures, including economic sanctions, against the perpetrator. It is evident that in this case there can be no consensus which now is the basic principle of decision-making at CSCE conferences: hardly any state would vote for the imposition of sanctions against itself.

If these proposals had been accepted, the Helsinki process would have developed a radically new aspect: it would have obtained a control mechanism that has thus far not existed.

The Soviet proposal on the regime of a state of emergency was based on the UN principles and a number of national legislations concerning the imposition of a state of emergency. The underlying principle was that of the inviolability of basic rights and freedoms which must be observed in any emergency situation. Besides, the Soviet proposal was based on the principle of parliamentary control over an emergency situation, the procedure of informing the world community about the imposition of a state of emergency and international control over the situation.

The third Soviet proposal suggested the enhancement of the role and status of public organizations in the Helsinki process. So far all CSCE Conferences included what was known as parallel events at which the public had an opportunity to hold meetings and disputes in the city-host of the Conference. However, in this case public organizations had little or no chance to influence the Conference decisions: according to the procedure the Conference does not discuss documents and viewpoints of public organizations.

Meanwhile, there is another mechanism through which the public can participate in the international process. For example, some public organizations, including Amnesty International, the International League of Human Rights, and several religious organizations enjoy the status of UN consultants. They have the right to attend the sitting of the corresponding UN commissions, to speak at plenary sittings and to participate in discussions. At the same time, they are not privileged to vote. The Soviet side suggested that some public organizations be granted similar status and rights. In my opinion, this measure is absolutely necessary, because public organizations are very sensitive to human rights violations and even slight tendencies toward such violations. Sometimes the reaction of public organizations is too emotional, but it is necessary as a warning to governments.

However, a paradoxical situation took shape at the Moscow Conference. The experience of earlier CSCE conferences has made us used to seeing Western delegations voicing concern about the human rights situation in the Soviet Union, and the Soviet side rejecting "the slanderous fabrications." This time, the sides changed places. The Soviet delegation said the Soviet Union was open for criticism. The main idea of the speeches made at the Conference by the Soviet Foreign Minister, a chief negotiator, Yuriy Deryabin and me was that the Soviet side was well aware of the complicated situation with human rights in the USSR and needed assistance, advice and even pressure. This produced quite a shock in the audience. I was told later that one member of the Swiss delegation feared that "Soviet secret police" would remove me right from the speaker's platform during my speech.

It might seem that the Soviet proposals gave the West a unique opportunity to come up with its own proposals that could guarantee the irreversibility of the changes. The main obstacle in the way of international control and humanitarian interference was removed. However, the actual reaction was the opposite of what had been expected. One by one Soviet proposals were either rendered meaningless or even rejected. It was the Western delegations that rejected the proposed opportunity to maintain effective international control over the human rights situation in CSCE states.

It is difficult to explain why this happened. Everybody understands that the human rights situation is much better in Western countries than in the Soviet Union. Logically, the measures proposed by the Soviet Union would be intended mainly to end human rights violations in this country. In addition to international control, Western countries are scrutinized by domestic human rights organizations and the press.

I understand that Western delegations worked at the Conference under entirely different conditions. The Soviet Union actually received a *carte blanche*. As for the Western delegations, they had to coordinate their actions with governments and foreign ministries while the diplomatic procedure remains staunchly resistant to change.

Besides, Western countries have well-balanced and time-tested legislation which will have to be adjusted to the new international commitments. This is a difficult and time-consuming work. It is not an easy task to explain to members of parliament in some Western country that they have to change the existing legislation because some delegation at some conference undertook some obligations.

I had an interesting conversation with a member of the Swedish delegation about this. We discussed the Soviet proposal of control over the imposition of a state of emergency. The Swede objected to my observations pointing out that the Swedish constitution allows elections to be held under a state of emergency. "Can you remember the last time a state of emergency was imposed in Sweden?" I asked. The Swede thought for quite a while and then said that there had been no such event in his lifetime and he thought no state of emergency had ever been imposed in Sweden. I had to tell him about the results of the recent elections in Azerbaijan held under the conditions of a state of emergency...

Whatever motives could be mentioned to explain the Western stance at the Moscow Conference, the fact remains: the West did not accept the Soviet proposals, or wasn't prepared to accept them. This is quite upsetting, bearing in mind that the Moscow Conference had offered great opportunities. It is time states forgot all the empty words about the principle of non-interference in internal affairs. When it comes to human rights, interference is necessary. However, such interference must be civilized and, logically, a civilized mechanism of such interference must be created. Now the situation looks as if Moscow asked for Western control over the human rights situation in the USSR and the West refused.

United States & Canada

Global Stability Talks Previewed

OW3110174291 Moscow INTERFAX in English
1458 GMT 31 Oct 91

["Diplomatic Panorama" report by Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Text] In mid-November the first round of Soviet-U.S. consultations on global stability will take place in Washington. DP [Diplomatic Panorama] learned from diplomatic sources that the Soviet delegation will comprise Soviet diplomats and experts and will be headed by Aleksandr Yakovlev, a member of the presidential consultative council. The U.S. negotiators may be led by the U.S. State Department's chief policy planner Dennis Ross.

The meeting will become the first-ever attempt by the USSR and the USA to develop common views on and approaches to the global situation on the planet, knotty regional problems, and ecology. The idea to meet for such consultations belongs to the U.S. Secretary of State James Baker.

Disarmament will be covered by an ad hoc expert group under a Deputy Soviet Foreign Minister, Aleksey Obukhov. The USSR Foreign Ministry does not yet have any information on the venue and schedule of his next meeting with the U.S. Deputy State Secretary Reginald Bartholomew, head of the U.S. disarmament group. It is quite obvious however that the sides will carry on the exchange of opinions they launched in Moscow on how to implement George Bush's and Mikhail Gorbachev's new initiatives on nuclear disarmament. It is planned to invite Russia, the Ukraine, Kazakhstan and Belarus [Belorussia], the four Soviet nuclear republics, to take part in the consultations as they did in the previous ones.

The USSR Foreign Ministry stated that the reports in the Soviet press that yet another expert group under the USSR Deputy Foreign Minister Vladimir Petrovskiy had been formed were not accurate. Mr. Petrovskiy is in Mr. Yakovlev's group that will discuss global stability, and this is the only capacity in which he will participate in the future consultations.

Prospects for U.S. Food, Cash Aid Reported

PM0111130191 Moscow Central Television First Program Network in Russian 1900 GMT 29 Oct 91

[“TV Inform” report by correspondent M. Osokin]

[Text] Finally there is good news for all of us—both for the people standing in the waiting lines and for the republic leaders who, demonstrating their resolve to be with the people in these difficult times, are also feeding themselves on stewed meat, noodles, and tea, at talks with each other. The United States, after two months of consultations, has decided to give us assistance to the tune of \$1 billion-plus.

The details have yet to be specified, but the Americans have already led us to understand that they are in a serious frame of mind. President Bush has stated that he has decided to act so that no one goes hungry in our country in the winter, and so that people's health is not affected by the shortage of medicines. Thus, food will be coming but, when it comes to other forms of assistance, the situation is rather more complex. Bankers and politicians are clearly in no hurry to send large financial resources to the Soviet Union. The West still cannot establish, once and for all, who should be approached in our country. It has indicated its position. According to a U.S. spokesman, the existence in the Soviet Union of some kind of central structure with which it is possible to discuss an aid program is very important. This stance has already been expressed in a G-7 decision and will act as a warning to the Ukraine that it will not be able to count on assistance if it goes it alone. The Western leaders are now waiting for an agreement to be signed between the republics that will make the economic community a reality. And it must be said that many people in the West believe that life itself will force the republics to make haste in restoring the ties that were broken. After all, as some experts are noting, even the Ukraine, for example, will not be able to buy spare parts

anywhere else for many of its factories. Not just because it does not have the currency to do so, but also because virtually no one apart from the USSR is still manufacturing such outdated equipment.

Volskiy on Meeting With U.S. Defense Team

PM3110163491 Moscow PRAVDA in Russian
31 Oct 91 p 6

[By V. Izgarshev and A. Nikitin: “GI's in Moscow”]

[Text] For the first time, our “generals” from the military-industrial complex, which is usually always closed to everyone, have come face-to-face at a “roundtable,” with representatives of a U.S. mission headed by Donald Atwood, U.S. deputy secretary of defense.

And... there was no earthquake, if readers will forgive the metaphor, as a result of the Moscow meeting between U.S. “helmets” and Soviet cockades. On the contrary, not only the military men but also politicians, statesmen, and businessmen showed a patent interest in one another. The Americans came straight from the airport to the hall of the Oktyabrskaya Hotel.

A. Volskiy, deputy chairman of the Union Operational Committee for Management of the National Economy and president of the USSR Science and Industry Union, who received them here, was, like the guests, all but swamped by the journalists' questions.

“Will we make use of the Americans' experience in the process of conversion?”

Arkadiy Volskiy's answer to that question was:

“We cannot do everything the American way, if only because we do not have many... Americans. But we will, of course, use their experience in disarmament. And add to it...”

What difficulties might there be here? In Donald Atwood's opinion, in our country the state has very rigorous control over military production. In particular, a social danger could arise during the course of conversion, and it could be delayed because many military people are involved in controlling this sector of industry. In the United States, the government does not control production itself very strictly. The main thing is quality, the technical standard. Very many orders are fulfilled by private enterprises. So it is quite simple to cut expenditures, and conversion soon shows its hand.

The Americans also came here to study, on the spot, the whole range of economic, technical, and social problems in connection with the conversion of military production in our country and to identify forms of mutually beneficial cooperation in this sphere. It is no accident that business circles are widely represented among the mission. There are vice presidents and managing directors of such well-known corporations as Boeing, Ford, General Electric, [name indistinct], and others. Incidentally, the present U.S. deputy secretary of defense was once a

highly successful businessman himself. He was vice president of the famous company General Motors. A current representative of that company has also come to Moscow. Many Americans, let us observe, only join the military department after being highly successful in business and leave as soon as the international situation changes. And on that note, an interesting discussion was struck up: Are there any businessmen among our own captains of the military-industrial complex?

"Of course there are," Arkadiy Volskiy replied. "Surely it is no secret that it is the defense plants that produce the best-quality peaceful equipment and goods for the people. Conversion will accelerate that process."

The two sides agreed that joint efforts must be put into conversion in the USSR, to make it as efficient as possible. New, joint, peaceful production facilities are to be set up, along with partial privatization, the widening of lease relations, and so forth. The frank and businesslike meeting influenced some of our specialists to such an extent that one of them immediately proposed the development of joint technology for the creation of... new cruise missiles. But against what enemy would new missiles be made?

We received a direct answer to questions about the "enemy image." It is fading, disappearing. Or in any event, the chances of that are now greater than ever before.

The USSR Science and Industry Union provided much assistance in realizing the goals of the U.S. delegation's visit to our country. In particular, with its assistance, U.S. politicians and businessmen were, for the first time, given an opportunity to visit a number of defense enterprises in Moscow, St. Petersburg, and Kiev that were hitherto closed to foreign citizens.

During the visit, meetings between the U.S. delegation and the Union and Russian leadership are planned.

Northeast Asia

Official Explains Inaccuracy of Kurils Plan

OW3110174391 Moscow INTERFAX in English
1458 GMT 31 Oct 91

["Diplomatic Panorama" report by Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Text] The press was quite inaccurate in its coverage of the memorandum that had been prepared by the Soviet Foreign Ministry's Department of the Pacific and Southeast Asia following the October 12-16 negotiations with Japan's Foreign Minister Taro Nakayama in Moscow, said a senior Department staffer. He emphasized in an interview with DP [Diplomatic Panorama] that point five of the programme to resolve the territorial dispute between the USSR and Japan which Russia's President Yeltsin had suggested during his January 1991 Tokyo visit holds several solutions to the problem. The transfer of the islands Habomai, Shikotan, Kunashiri and Etorofu is only one of the possible scenarios. The other options are:

placing the islands under Russia's and Japan's joint jurisdiction or putting the issue on hold until the next generation of politicians can develop fresh ideas on how to resolve the impasse. It is wrong to claim that the transfer of the islands to Japan was presented in the plan as the only solution.

Vladimir Zhirinovskiy, leader of the Liberal Democratic Party, suggested at a Moscow press conference his own scenario to solve the problem. According to him, "we will raise the question of making the island Hokkaido part of the Sakhalin region" in response to Japan's claim on the four Kuril islands. The diplomat described the suggestion as "pure bunkum."

Soviets Not Supplying Arms to DPRK

LD3110170591 Moscow TASS in English
1456 GMT 31 Oct 91

[By correspondent Vladimir Prokhorov]

[Text] Tokyo October 31 TASS—"The Soviet Union does not supply offensive weapons to the Korean People's Democratic Republic since last September. It is scrupulously observing the agreement with South Korea on this score, reached during the establishment of diplomatic relations between the two countries," the newspaper "ASAHI" writes today with reference to a statement made by a high-ranking official of the South Korean Administration.

According to the latter, the stopping of Soviet arms deliveries to North Korea was among the terms for the granting of Seoul's 3 billion U.S. dollars credit to the USSR. The Soviet Union accepted this precondition and is carefully observing it. In any case, the South Korean side knows no cases when Soviet offensive weapons were supplied to Pyongyang since last September, the South Korean official noted.

Southeast Asia & Pacific

Benefits of Cambodian Peace Accord Viewed

92UF0126A Moscow PRAVDA in Russian
26 Oct 91 p 4

[Article by Vsevolod Ovchinnikov in the column "My Opinion": "Without a Boulder at the Crossroads"]

[Text] It is symbolic that the proceedings of the Paris International Conference on Cambodia ended literally on the eve of the opening of the Madrid international conference on the Middle East. Both these forums are examples of collective peacemaking efforts, unlike the times of the cold war when any regional conflict was viewed as a manifestation of a global confrontation of two irreconcilable social systems, or ultimately two hostile superpowers. This time, the United States and the USSR act as cochairmen of the Middle East conference. Likewise, the agreement on the comprehensive settlement of the Cambodian conflict would have hardly come about had

Moscow and Washington not made a transition from confrontation to cooperation.

The conference that has ended in Paris and the one that has opened in Madrid are mileposts on the way to a new world order, to a qualitatively different role of international cooperation in resolving disputes and conflicts with the participation of all interested parties. Documents signed in Paris are the result of a long and difficult search for a compromise that could only be arrived at because of the persistent joint efforts of the five permanent members of the United Nations Security Council—the United States, the USSR, China, France, and England. They have gained valuable experience interacting among themselves and with other states through a working mechanism created by them. This experience will now be useful after the present meeting.

The free expression of the will of the people will become the key principle of the settlement in Cambodia, like that in Namibia. In approximately one and a half years—that is, no sooner than the spring of 1993—general elections will be held, under UN control, on the basis of which legislative and executive organs of power will be formed. Two organs are going to govern Cambodia during a period of transition: the Supreme National Council, in which all political forces are represented; and the UN Transitional Administration (UNTAC), which will ensure the cease-fire and control key ministries, such as foreign affairs, defense, finance, public security, and information in the period of the election campaign. Such elements of dual power may bring about a clash of interests. Therefore, extensive coordination of actions by "the Big Five" will also be called for in the future.

In evaluating the documents signed in Paris, I would like to stress that their significance transcends the framework of Cambodia. That this country will secure a long-awaited peace for the first time in two decades is not the only point. The regional conflict in Southeast Asia blocked the development of favorable processes in the region like a boulder sitting at the crossroads.

First, the agreement on the comprehensive settlement in Cambodia paves the way for a complete normalization of relations between the United States and the countries of Indochina. This will ultimately turn the tragic page of history that cost the American people 58,000 human lives. Secretary of State Baker has already stated in Paris the intention of the United States to resume normal relations with Vietnam, Cambodia, and Laos.

Second, the protracted internecine war in Cambodia remained the last painful irritant in Soviet-Chinese relations. After all, in the years of the civil war, Moscow took the side of Phnom Penh whereas Beijing supported the antigovernment coalition. The comprehensive settlement of the Cambodian conflict eliminates the last obstacle, even if hidden, to effective cooperation between the USSR and the PRC in the Asian-Pacific region.

Third, the path toward a complete normalization of relations between Beijing and Hanoi is now open. Their traditional good-neighborly relations were undermined in 1979 by a three-week invasion by China, "punishing" Vietnam for sending its troops to Cambodia. Not only has a pretext for mutual resentment now been removed, but an extra incentive for rapprochement has appeared: The events in Eastern Europe and the Soviet Union induce the communist parties that rule both states to keep closer to each other.

Fourth and finally, the end of the war in Cambodia may become a bridge for the appearance of yet another player, Japan, in the political arena of Asia. The "Land of the Rising Sun" has expressed its willingness to play a key role in turning Indochina "from a battlefield into an arena of trade." This is precisely the explanation of the aspiration of Japan to become a participant of the Paris conference and to hold a conference on organizing multilateral aid to Cambodia in Tokyo in 1992.

That Southeast Asia is a significant market for Japanese goods is not the only reason. The official circles in Tokyo need to set a precedent for the use of the "self-defense forces" in UN peacekeeping operations. Protests by the public prevented doing so in the Persian Gulf. UN-controlled elections in Cambodia present yet another opportunity. I think that we may only welcome the participation of the second economic power of the world in the reconstruction of a long-suffering Indochina. This is capable of boosting the processes of integration in the Asian-Pacific region without any discrimination. Practical assistance to the UN peacemaking mission in Cambodia will enhance the international prestige of Japan.

In a word, having removed the boulder from the intersection, the states privy to this endeavor are opening a wide field for processes capable of bringing about confidence, cooperation, and prosperity in the Asian-Pacific region.

While the Issue Was Being Typeset Hanoi, 25 October (PRAVDA staff correspondent P. Tsvetov). The Vietnamese Government has issued a statement in conjunction with the adoption, in Paris, of documents that restore peace in Cambodia and set forth ways to form new organs of power in that country. As a participant in the process of the Cambodian settlement from the very beginning, Vietnam has confirmed yet again that the implementation of the agreement on peace in Cambodia should be based on respect for the Charter of the United Nations Organization and the sovereignty of Cambodia and neighboring countries, especially as far as the role of the United Nations in Cambodia is concerned.

Commentary Notes 'New Era' in Lao Ties

BK0111125991 Moscow Radio Moscow in Lao
1330 GMT 30 Oct 91

[By station correspondent Igor Shishlin]

[Text] Dear listeners, today we will talk about Soviet-Lao relations. In the past, Soviet-Lao relations were based on

the principle of (?mutual interest). All agreements, including those on economic cooperation, between the Soviet Union and the Lao People's Democratic Republic were signed only on a state-to-state basis. The reform introduced to the two countries in the 1980's has brought about new changes to relations between our two countries. Several enterprises and companies of the two countries have established direct contacts. The rapidly changing situation in the Soviet Union, however, and the declaration of independence by several former Soviet republics have raised a question about the future of the Soviet Union. Different republics have started choosing their own ways of developing economic relations with foreign countries. Under such circumstances, a delegation of the Russian Council of Ministers recently paid a visit to Laos. The Russian Soviet Federated Socialist Republic (RSFSR) has decided to develop direct relations with Lao businessmen. The main objective of the delegation's visit is to explore common interests and lay down the direction for the strengthening of economic relations between the two states. Both sides have accomplished considerable achievements in this regard.

Mrs. Khemphet Phonsena, Lao deputy minister of trade and tourism [title as heard], said that the RSFSR will send equipment and technicians to work in Laos. Laos wants to cooperate with the RSFSR in exploiting its rich natural resources in the form of joint ventures. The Lao deputy minister stressed that both sides can certainly work to achieve that goal. Speaking during a news conference on the result of the Russian delegation's visit to Laos, (Valiv Ureskiy), head of the delegation, said: The visit is aimed at studying avenues for cooperation between the two states. We have learned new experiences and realized the necessity for the strengthening of economic cooperation between the two sides. The most important thing is that both sides are desirous of broadening their cooperation for common interest in all areas.

Dear listeners, Soviet officials stationed in Vientiane were informed that delegations of Kazakhstan and Belorussia will also visit Laos soon. In other words, our two countries are entering a new era of state-to-state cooperation. Thank you.

Near East & South Asia

Envoy on Policy Toward Iraq, Gulf States

PM0111105791 London SAWT AL-KUWAYT
AL-DUWALI in Arabic 31 Oct 91 p 3

[Interview with Soviet Ambassador to Kuwait Ernest Zverev by Fatimah Mansur in Kuwait; date not given]

[Excerpts] [Mansur] How would you assess the present situation in the Gulf region? And how do you see the region's future while Saddam Husayn is still in power in Iraq?

[Zverev] We see the emergence of an international move toward stabilizing conditions in the region after the

liberation of Kuwait. The Iraqi regime's position and attitudes, however, do not contribute to providing an atmosphere of permanent stability. By the Iraqi attitudes we mean here attitudes both inside and outside Iraq. We think this because of the Iraqi regime's failure to embark on a settlement with respect to the Kuwaiti prisoners held in Iraqi jails, the regime's procrastination over demarcation (borders) and settlement of the cases of stolen Kuwaiti property and compensation, and its repeated attempts to obstruct UN officials' inspection of Iraqi nuclear installations. In addition, its attitudes to and failure to resolve the two problems of the Kurds in the north and the Shiites in the south—all these attitudes of the Iraqi regime do not, in our view, contribute to stabilizing conditions in the Gulf region.

[Mansur] Do you believe that the Iraqi regime is still a threat to the region's states, especially to Kuwait and Saudi Arabia? What role is the Soviet Union currently playing to change the present situation in the Gulf region toward a lasting stability?

[Zverev] First, during my meetings and discussions with my friends in Kuwait, I felt that there were some concerns regarding the possibility of the Iraqi regime's embarking on some aggressive operations once favorable conditions are available.

In view of Saddam Husayn's policy over the past 10 years, we believe that it is difficult to predict what he could embark on toward his neighbors. We also believe that any military operation by him could lead to a major aggravation of conditions in the region—which is not in line with the new world order or the orientations of an international community seeking permanent stability for this region.

As for the second part of the question, I can say that the main aim of our policy in this region is to contribute effectively to stabilizing conditions and strengthening security in the Gulf region and the Middle East in general. [passage omitted]

[Mansur] What is the state of your relations with Iraq at present?

[Zverev] Soviet-Iraqi relations are almost at a standstill. They are frozen. As is known, there was very active cooperation between us in the economic fields. But cooperation with Iraq on both the economic and the military levels has stopped totally. We believe that the future of these relations will be linked with the Iraqi position and the political line pursued by the regime there. Likewise, their restoration will be linked with Iraq's implementation of the Security Council resolutions on the Kuwait issue.

[Mansur] How do you view the course of the peace process concerning the Arab-Israeli conflict and the Palestinian issue, and what is the Soviet Union's role in the peace conference?

[Zverev] We believe that the peace conference concerning the Middle East issue will convene in the required manner, because the tangible and important factors for its convening are now present and also because almost the entire international community supports the idea of convening it as a tangible step toward initiating the process in the Middle East.

I would like here to emphasize that the Soviet Union and the United States have for the first time taken close positions on that issue. It is also the first time in decades of U.S. history that a U.S. president like President George Bush has worked earnestly and used his standing and reputation to secure the convening of such a conference.

[Mansur] You emphasized the two superpowers' positive positions on that conference, which concerns the Middle East issue. But do you not believe that Israel's positions toward the peace process could tend to obstruct that process and lead to the failure of the conference?

[Zverev] We believe that the Palestinian position, as emphasized by the Palestine National Council conference, will contribute to the development of the peace process and the convening of the conference. We also believe that Israel can take hard-line positions to thwart the conference. We cannot allow that. It is clear that Israel has moved toward that conference under pressure, because it does not want it to be convened. Despite that Israeli position, we see the existence of good factors for the convening of the conference as well as a real start for the peace process, in addition to a world public opinion seeking to arrive at the establishment of security and stability in the Middle East region and at a solution to the question of the Palestinian people.

[Mansur] What about the results of the contacts you are currently having with both Israel and the PLO to make that conference a success and to secure a just solution to the Middle East region?

[Zverev] We are currently in continuous contact with both the Palestinian leadership and the Israeli side. In our view, the main task in our contacts with the Palestinian side is to influence the Palestinian position so as not to give the Israeli side the excuse to thwart the conference. [passage omitted]

[Mansur] The Soviet Union had relations with Israel in the past, so in what form have these relations been restored? Is it by exchanging embassies between the two countries?

[Zverev] Our relations with Israel were confined to the consular field. But we believe that restoring diplomatic ties with Israel in full by exchanging embassies between the two countries will give us the opportunity to play an effective and more influential role during the peace conference sessions.

[Mansur] Does that mean that you have reached with the Israeli side positive stances that are in the interests of a

just settlement, especially as you stressed for several years that the Soviet Union would not restore full relations with Israel until Israel recognized the Palestinian people's legitimate rights and their right to self-determination?

[Zverev] True, we maintained a known position for several years with regard to the conditions for restoring our relations with Israel. Although some profound changes have occurred with regard to that subject, we still believe that our relations with Israel will remain strongly linked to the assurances concerning the convening of the conference and its results in the Middle East region. [passage omitted]

[Mansur] And at the political level... what is the status of your relations with the Gulf Cooperation Council [GCC] states in general and with the State of Kuwait in particular?

[Zverev] The Soviet Union's relations with the GCC states are moving forward both strongly and gradually. We now have embassies in all the GCC states. I would like to say here that our relations with both the Kingdom of Saudi Arabia and the [United Arab] Emirates [UAE] are witnessing tangible and major progress in the economic, political, and trade fields.

We succeeded in a matter that is important to us during Primakov's visit, as his talks with Saudi and UAE leaders resulted in the provision of financial loans. That help came as a result of the development of relations with these states at all levels. As for our relations with the State of Kuwait, we believe that even since the liberation of Kuwait these relations in the political field are continuing to move forward. It must be said here that at Soviet presidential special envoy Primakov's meetings during his visit to the country with his highness the country's amir, with Jabir al-Ahmad al-Sabah, with Shaykh Sa'd al-'Abdallah, heir apparent and prime minister, and with senior officials and ministers, the two sides emphasized the existence of a common desire to strengthen political relations, which had already existed for years, and to increase efforts in that field... also to take tangible measures to develop economic relations between the two sides. The Kuwaiti leadership, first and foremost his highness the country's amir and the heir apparent, expressed its utmost appreciation for the Soviet Union's position during the crisis. For our part, we express our gratitude to the Kuwaiti side for its balanced stances during the abortive coup attempt in the Soviet Union.

[Mansur] With regard to military cooperation with the State of Kuwait, will there be a military cooperation agreement between the two countries, at least at the present stage?

[Zverev] There has been good cooperation between us and the State of Kuwait in the military field. For our part, we are willing to restore cooperation in that field at the present stage.

Sub-Saharan Africa

RSA Foreign Minister To Pay Private Visit

LD0111110191 Moscow TASS International Service
in Russian 1430 GMT 31 Oct 91

[Text] Moscow, 31 Oct (TASS)—Roelof Botha, minister of foreign affairs of the Republic of South Africa [RSA], who is to visit a number of countries of Europe and the Near East in November, has expressed a wish to make an unofficial, private visit to the USSR, a spokesman of the USSR Ministry of Foreign Affairs has told the TASS diplomatic correspondent. A program of meetings is being worked out by the section for the interests of the Republic of South Africa in Moscow.

As far as is known, the spokesman said, Roelof Botha intends to visit Kiev, St. Petersburg, and Moscow during the first 10 days of November. It is quite possible that meetings will take place between the South African minister and officials.

West Europe

Further on Gorbachev-Mitterrand Talks

IZVESTIYA Previews Talks

PM3110132191 Moscow IZVESTIYA in Russian
31 Oct 91 Union Edition p 5

[By correspondent Yu. Kovalenko: "On the Eve of the Meeting in France"]

[Text] Paris-Soustons—The meeting between F. Mitterrand and M.S. Gorbachev will begin the evening of 30 October at the French president's residence in the village of Latche (Landes Department) in southwest France. The Soviet president will fly there direct from Madrid at 1700. Located in a pine forest, the Latche house, which journalists call "the presidential ranch," is Mitterrand's own property. The selection of this out-of-town residence as the location for the talks should, in the French side's opinion, emphasize their informal and even "intimate" nature and should be another manifestation of the sympathy and friendly feelings that F. Mitterrand has for M.S. Gorbachev (the only other state leaders to have been invited here are H. Schmidt, F. Gonzalez, and H. Kohl). Journalists will wait for "their time to come" in the neighboring town of Soustons, where the news center is located.

The same evening the two presidents will give an interview on French "Antenne-2" television's late news. Following a working breakfast the meeting will end, as previously announced, on the morning of 31 October with a joint news conference, after which the Soviet president will fly to Moscow.

It is expected that M.S. Gorbachev will primarily brief President Mitterrand on the start of the Madrid international conference on the Near East, its first steps, the

chance of a peaceful settlement, and the results of his talks with President G. Bush.

It is believed in Paris that main attention in the talks between the two presidents should focus on European security problems. In particular, the presidents will examine the latest U.S. and Soviet initiatives in the disarmament sphere, as well as the French proposal to convene a conference of the heads of the four states with nuclear weapons in Europe. The aim of such a conference—both Moscow and Washington have already advocated convening it—would be to settle problems associated with the Soviet nuclear arsenals.

Naturally, all-European cooperation is not restricted merely to military security. Many political scientists, however, believe that the Soviet proposal to create a single European home and the similar French concept for a European confederation of East and West have been "marking time" lately and have not won support from the Eastern European countries, which want to join the EC as quickly as possible. Will Moscow and Paris succeed in reviving these confederation ideas, which had seemed so attractive until recently? The Latche meeting may answer that question.

A particular place in the talks will be taken by questions of NATO's future—ahead of the meeting of NATO leaders in Rome next week—and, in particular, the intensification of NATO's political role and the development of relations with the Soviet Union and its former Warsaw Pact partners. I recall that the United States and Germany recently proposed setting up a North Atlantic cooperation council with the participation of former Warsaw Pact members (the question of inviting the USSR to this new organ remains open for the time being).

Paris believes that the Soviet president will support this initiative. As for F. Mitterrand, he is taking a more cautious position and is insisting on wide-ranging preliminary consultations between East and West on this problem. France does not want to expand NATO's functions, believing that the alliance is striving to arrogate some of the CSCE's prerogatives. Paris is consequently proposing that the Soviet Union and the other Eastern European states be invited to the NATO foreign ministers' session to be held at the end of this year.

People here are not ruling out the possibility that the French president might "sound out" M.S. Gorbachev's attitude to the creation of a European defense system that would be part of the EC.

Finally, a key issue for the Soviet side will be the recurrent question of the catastrophic situation in our country and the granting to it of the most diverse aid—economic, scientific, technical, and humanitarian—both through the EC and on a bilateral basis.

Of all the Western leaders F. Mitterrand has been the most consistent in advocating the most wide-ranging

assistance for the Soviet Union. In particular, he proposes removing all restrictions on loans to us from the European Bank for Reconstruction and Development. The authorities' exhortations, however, to French business circles are still failing to meet with any response. The powerful private sector, which has the greatest potential, is in no hurry to invest, since it does not want to take a risk. It needs guarantees from our Union and republic centers and from the relevant French state organs.

Presidents Hold News Conference

LD0111001691 Moscow Central Television First Program Network in Russian 1933 GMT 31 Oct 91

[Report on news conference by USSR President Mikhail Gorbachev and French President Francois Mitterrand given in Soustons, France on 31 October]

[Text] [Correspondent] The visit is ending, but that does not mean that we have to forget the fine traditions that were formed back in 1985, said President Mitterrand, opening a joint news conference in the town of Soustons, and he handed over to his guest.

[Begin recording] [Gorbachev] Thank you. I have had to leave Moscow at a time when, perhaps, the most important events of all the years of perestroika are going on in our country. They will exert an influence on the entire further course of the transformations there. I have had to do this because I was participating as cochairman in the opening of the conference on the Near East in Madrid. You will be aware of that, of course. It was absolutely necessary to take part in it, because we are all committed not only to the conference opening but also to it yielding results. To all appearances, the conference will probably be a difficult one. At least that is what can be concluded from what we know and from the things that emerged during the run-up to the conference. The very fact, however, that for the first time in 43 years representatives of the interested states have sat down at the same table is a good thing. This is already an event in itself.

So the Soviet Union, which has always taken an active part in the destinies of this region—it is a region we hold dear—had to fulfill its mission to the end at this present, final stage too. Availing myself of the opportunity—I didn't manage to say this yesterday when the president and I were having our meeting with the Antenne-2 journalists—I have to pay tribute here to the objectivity and fairness of France and place a high value on the contribution of this country and of President Mitterrand to the fact that in the final analysis the road to this conference has been laid and the conference has opened.

As you know, the Soviet Union and France are two of the coauthors, if not the original coauthors, of the proposal to convene an international conference on the Near East.

I had important meetings in Madrid in the time that I had at my disposal. I had two meetings with President Bush. Initially we had a one-on-one meeting with the

ministers of foreign affairs present. This was a very substantive discussion, at least that is what it turned into, although we thought that it would merely be a meeting in connection with the Madrid conference. But, as they say, when the leaders of the Soviet Union and the United States meet, there is always something to talk about. On this occasion, the meeting was a wide-ranging, very serious, important, and necessary one. Our discussion was then continued when we took advantage of an invitation to dinner from the king of Spain. Mr. Gonzalez also took part in that discussion. It was also a very substantive discussion, a substantive exchange of views, things that are so essential at this time. Then there were talks with Mr. Gonzalez. I of course agreed with pleasure to the suggestion of Mr. Mitterrand that we should meet on my way back from Madrid, particularly since I was thus able to carry out an old wish to meet here on the president's home territory. I can see he is very attached to this area.

I sensed this once more last night as well as this morning when we walked round the grounds of his house. I would like to thank the president for the privilege of not only visiting his house but also staying here overnight. Waking up to the sound of the cocks crowing reminded me of my peasant origins. Last night the president was afraid that I would wake up early. Quite the opposite! By a good old peasant tradition, I wanted to sleep even longer. Nevertheless I had to get up. Already this morning we had a talk. That was, perhaps, our fourth conversation, excluding our interview. We had a thorough discussion. The president has already mentioned the subjects we covered. I would like to conclude my speech now by expressing my satisfaction with our conversations. The times are now such that the problems and processes are developing quickly; problems keep changing and the acuteness of some is growing. While some problems disappear, others come in their place. This affects all of us, both peoples and countries. The need for such conversations and contacts is now simply more vital than ever. I would like to join what the president has said. We can now take your questions. The only thing on which I want to disagree with the president—I have to say this at once—is that most of your questions should be addressed to me. I think the principle should be that each of us answers half of your questions.

[Unidentified correspondent] The Russian news agency NOVOSTI. I have a question for both presidents. In recent times, a number of new ideas and proposals regarding European construction have emerged. Some of them relate to the issues of European security; others concern the organization of European structures. In this connection I would like to ask you the following question: Have you changed your views on what the future Europe should be like. What do you each think is the main problem in the construction of a future Europe? Finally: In connection with the increasing role of the Russian Soviet Federated Socialist Republic [RSFSR] in domestic and international affairs, what do you think

will be the role of Russia in European construction? It is even more important now, considering that you, Mr. President, will soon be receiving President Yeltsin and by all accounts will have to discuss with him these issues. Thank you. [end recording]

[Correspondent] Replying to this question, Francois Mitterrand declared his commitment to the ideas of all-European construction. Our house, he said, remains open to those who want to enter it. At the present moment its future structures are being worked out. Mr. Gorbachev mentioned a common home and that presupposes that all the countries of the continent must act in the interests of Europe. What I called a confederation should allow all countries to act together. It also provides for all countries to change to democracy. Europe is still in the future. No particular European organization exists yet. But it will undoubtedly come. I am convinced of that. I am working on that with everyone. And the answer to this question is given by our geography. But inside this Europe we see disintegration and the rise of nationalism. Referring to relations with our country, President Mitterrand stressed that France is not interested in having relations with the political void that could replace the Soviet Union: We would like to see your country united. I must say I do not know what the interested parties will decide, but Mr. Gorbachev will, in any case, tell you better than I can.

[Begin Gorbachev recording] This is a big question, and of course an answer to it would take up a lot of time, and you will have sensed that Mr. Mitterrand's reply shows that it is difficult to give an exhaustive reply to it in the framework of a news conference.

I would like to say the following, however, as far as views of the construction of a new Europe are concerned. I would like to state that as far as I am concerned my views on this issue—and they represent the position of the Soviet Union—have not changed. We are in favor of building a new Europe, with a single democratic, economic, cultural, and juridical space. We are already talking about the implementation of such projects as creating a single power engineering space. This is what politicians and representatives of business circles are engaged in at the moment, and this shows that the Europeans are in favor of a Europe where borders will no longer divide peoples and will become increasingly transparent. That is the term we have now gotten used to.

Thereby, there will be no obstacles for any exchanges, even the most large-scale ones. Moreover, since the Soviet Union has set itself the task of becoming an organic part of the world economy, we must build our relations above all with our neighbors the Europeans in such a way that we act according to common rules, not confining ourselves to trade only, but also getting involved in implementing large-scale projects for the benefit of all the European peoples.

Naturally, we confirm our adherence to the idea that Europe should become more free of armaments—and

not only of nuclear but of all kinds of armaments. Europe should go along the path of demilitarization. This is a very important component of building a new Europe. This is also happening, and we can only welcome this. Changes have occurred in the processes taking place.

Not everything is proceeding in the way predicted in our political concepts. This has always been the case, at every state, and this is what, presumably, will happen also again. The transition from old to new relations takes time. Some institutions change, lose their significance, and fall away, and the need arises to create others. This has already happened and is happening now.

A major meeting of the leaders of the states that are members of the North Atlantic alliance is to be held in Rome soon. They are to define what they are to do within the framework of this organization, and they are going to make an attempt to predict its fate. I think that that organization should also be transformed, bearing in mind the processes taking place. NATO should gradually lose its military aspect and acquire the qualities of a political organization. I think that the time to raise the question of eliminating this organization has not come yet. May it be transformed naturally into whatever new is needed for the building of a new Europe.

It seems that its members will have to overcome their old complexes. In a new situation now when there is no threat of war and when we do not intend to wage a war—this has already become a reality—NATO should be liberated from the elements of old military doctrines. I think what we have on the European continent now is arousing both satisfaction and alarm. This means that we will have to cooperate even much more closely so as to be able to channel all the processes since they are geared to pursue positive aims. Some of them are becoming explosive in nature, however, and that is not in the interests of the Europeans. But there is something about which I would especially like to warn all politicians. In recent weeks I have spoken about this a great deal when talking to Western representatives; I have also mentioned this to the leaders I met in Madrid. It would be wrong for us suddenly to start panicking under the influence of the new processes under way in Europe and to introduce off-hand amendments into our strategy without evaluating or thinking them through, questioning, as it were, whether there is a need for a new Europe in the first place and whether the implementation of this concept may lead to chaos. I think that this would be impermissible for politicians. They must remain cool-headed and above all must be able to hear, see, analyze, extract lessons, and to act adequately on whatever reality may put their way.

So I confirm my adherence to the old views—well, not the old views, they are the new views you are asking about. It seems to me that today much will be determined by how things continue to go in the Soviet Union. If I am to give my view...you refer to the main problem. I think this is a key question; its resolution will depend mainly on the course of events in and out of Europe,

taking into account the role our immense multinational state plays in the world and in world politics.

Nevertheless, this applies above all to Europe. Mr. Mitterrand expressed his views on this score. He was, as it were, thinking aloud. I understand him. I want to express myself more definitely. My point of view is as follows: This state, taking into account the settlement of people and the organization of their life, was formed in such a way that 75 million people are living beyond the boundaries of their ethnic formations. This state was formed in such a way that a single defensive strategic space was created that is a corresponding component of world stability and of the global situation, of global strategy. This state was formed in such a way that the level of coproduction, based on an intensive division of labor, is now higher in the Soviet Union than, for instance, in the EC. It stands at up to 60 to 80 percent.

In other words, the economy dictates the preservation of this economic space, this single market. I can say that all of us, wherever we may live—not only we Russians but also other citizens of our enormous country—cannot conceive of life without possessing the achievements of culture and science. This constitutes our whole wealth, even the immense potential not only of our state but also of the entire world community. The whole world community is now concerned with the future of the USSR Academy of Sciences and with what is to happen to it.

Such is the significance of everything that is happening in our country, where inside our Union, there are no state borders between the republics. People have been settling freely, and the territories were moved at various times, proceeding from the fact that our state has been, is, and will be unified. You can imagine what kind of borders these are, what kind of a conventionality this is. Taking all this into account, then the question should be formulated in this way. The path of self-determination a few of our republics have taken—this is their choice, their right. So they have naturally their legal right to pursue this path. But one thing must be clear: either do this by way of separation, or by way of self-determination inside a renewed and reformed Union.

I believe that those realities we are talking about lead us to the idea that if we pursue the path of separation we will be confronted by issues neither we nor the world will be capable of resolving. We can see that we cannot resolve far simpler questions in Yugoslavia by our joint efforts. Nonetheless, we have to let our inhabitants, nations, people, who have obtained freedom, to practice their main right—the right to self-determination. Therefore, we must seek self-determination in the framework of a renewed Union. [end recording]

Further on News Conference

LD3110224991 Moscow TASS International Service
in Russian 1730 GMT 31 Oct 91

[By correspondents Sergey Batyrev, Aleksandr Krivyykh, and Yuri Lopatin]

[Excerpts] Soustons (southwest France), 31 Oct (TASS)—Following the conclusion of the Soviet-French summit meeting held yesterday and today in Latche—the French president's estate—Mikhail Gorbachev and Francois Mitterrand organized a news conference for the French and international press. [passage omitted]

M.S. Gorbachev and F. Mitterrand answered journalists' questions.

A question from a TASS correspondent: This is a question to both presidents at the same time. Mikhail Sergeyeich, you told French television yesterday that you had received demonstrations of solidarity from President Mitterrand, and it was not just words, but something more substantial. Could you explain in more detail what specific plans were discussed and what agreements you managed to reach?

M. Gorbachev: France has an active position as far as aid to the Soviet Union is concerned, during this very crucial stage of reforms being implemented in our country. I sensed this as far back as early this year, when the president of France made important decisions on granting credits. At the moment, we are implementing them together. France spoke in favor of a coordinated interaction between the Soviet Union and the G-7 states, and it took, without delay, a stand of support for the USSR as it entered a crucial phase of reforms. President Mitterrand and I have just been discussing the fact that specific problems exist. One of them I would refer to as vital: It concerns the ways we can succeed in overcoming the hardships of the forthcoming winter and spring.

I refer to food, and France is making its contribution here. We hope that the work to clarify requirements fully—on the basis of mutual assessments of the Soviet Union, the G-7 countries, and the EC—will be brought to completion. President Mitterrand assured me that France is not changing its stance and will continue to act as before. What is needed now is for all these countries to define what their contribution will be. We have an interest in seeing them declare themselves as rapidly as possible. It is an inevitable stage, which has to be reckoned with. We believe that following the meeting with the representatives of the G-7 in Moscow, much has now been clarified in this area.

There are also financial matters. France will play its part in the context of interaction with other G-7 countries. I would not like to be any more specific on this point because it is not a subject for the media but for financial circles.

So I welcome France's active stance. Projects and agreements on credits are being implemented. I just hope that France will also make its contribution at the final stage of formulation of the stance of the G-7 and the EC on food and finances. [passage omitted]

A question from the French television company TF-1: I would like to speak to President Gorbachev, but my question also concerns President Mitterrand. Judging by

a phrase quoted in the French press from your book, which has appeared in France in the French language, one gets the impression that during the August events in the Soviet Union, France played a waiting game. What is your view on this?

M. Gorbachev: There is no problem here. Let the person who gave rise to this problem sort it out himself. Suddenly they started quoting my book. When this quotation was mentioned to me, however, it turned out that it was not from my book. So somebody provokes something here. Could I ask you, journalists, to look into, to carry out your own investigation, and to establish who stands to gain from it. There are no problems here. Cooperation between the USSR and France is of a wide-scale and unique nature, by which the Soviet-French dialogue was always characterized. Today, though this, perhaps, is not to somebody's liking, France and the Soviet Union cooperate in the spirit of wide and deep mutual understanding and complement one another. I think this is an indispensable factor in world as well as in European politics.

Question from the French provincial newspaper CHARENTE LIBRE: My question is directed to both presidents. It concerns the Madrid conference. I would like to know whether it matches up exactly with your wishes in form and substance, and whether it accords with the initiative you put forward concerning the holding of the talks.

M. Gorbachev: It does match up as regards aims. But it differs from what President Mitterrand and I had in mind when we made the parallel proposal for joint actions. But, you know, one has to reckon with the realities, and, if just such a format for the conference had become possible, it was necessary to opt for it to get the process started. I think, however, that within the framework of such a format for the conference, the aims and problems remain. You cannot get away from them anywhere, and the participants in the conference in one way or another, in one form or another, will have to find answers to these questions. So, while realizing that this conference differs from what we proposed, Mr. President and I have supported and still do support it. You know that in recent months the Soviet Union has done much on a practical level to see that it started, agreeing to be its cochairman. So we do, I think, figure among the people who are capable of reacting to realities and of taking them into account. Let's hope that the ice has begun to move, as we say in Russia.

Second, President Mitterrand and I proceed from the view that the opening of the conference does not bring to an end the cooperation between all the states, European and otherwise, and the states of the Near East, as well as between themselves, to create an environment in which it may be possible to count on real success from the conference. I wish to reiterate that it seems to me that the conference will be a hard one and will require quite a lot of time. Maybe the world community, and not just the

cochairmen, will have to respond, react to this. Well, that's the sort of subject it is. [passage omitted]

Question from the SUD-OUEST newspaper, published in the southwest of France: What possibilities do you see for settling the crisis in Yugoslavia?

M. Gorbachev: We are constantly maintaining contacts with all Europeans. I have spoken to President Bush about this. The lesson of Yugoslavia for all of us consists in firmly sticking to principles. I think that the uncertainty of the positions assumed by individual states at the initial stage of the conflict stimulated separatism in Yugoslavia in the very form that has led to the clashes and to these sorts of consequences. When I speak of principles, I mean that there are documents, such as the Helsinki Final Act and the Paris Charter for a new Europe, and there are the principles of integrity and the inviolability of borders. Of course, in these documents there are articles about the rights of minorities. All of this should be resolved within a constitutional framework, and all efforts to do good should come not in the form of outside interference or pressure but in the form of cooperation.

Not everything worked out precisely this way during the first stage, and that is why it aggravated the situation. Yet I think that in this matter neither the possibilities for cooperation of the EC countries—though it is necessary to have a common approach—nor of the Soviet Union and the United States have been exhausted. We have in reserve the UN secretary general's mission, and finally there is the Security Council. This mechanism should also be brought into action if success based on the approaches I have already mentioned is not achieved. The meeting between the leaders of Serbia and Croatia that took place in Moscow has shown the problems. They refused to meet, but after all they did meet. Moreover they were not ready to sign any kind of document, but finally they did so. So the agreement was concluded, but there is no real mechanism that could help to fulfill it. Then a repetition of everything that preceded it takes place all over again.

It seems to me that the press should be careful when it writes about these things. Many have already written that the Soviet Union has disintegrated, and moreover that Yugoslavia no longer exists.

On the whole, you can write, and this is the right of every free journalist. One should think about a feeling of responsibility and participation and not simply about how one or another newspaper, by raising a question sharply when restraint is needed, gains recognition and increases its standing. I think this is not the case when the standing of a politician, newspaper, or the mass media is an indicator of their mature position. We need to be very attentive. By efforts of political figures and the media, public opinion should be directed at supporting Yugoslavia. If we, on the way toward a new Europe, cannot resolve such problems, a question arises: Who needs such a Europe? Where do these processes, which

acquire such a nature and bring so many troubles, spring up? And these are not only troubles of an economic nature. Whole towns are being destroyed, culture is being destroyed, and people are suffering. Therefore we need to be very attentive. If public opinion is like this and coordination between politicians is based on a single approach, and not as follows: Let us put an end to Croatia and let us put an end to Kosovo (I mean it figuratively), everything has already happened and there is no Yugoslavia—I think this approach is superficial, and in essence—irresponsible. We still have the levers. The USSR is very closely connected with all Yugoslav peoples. We maintain contacts with them, and they listen to us. We will use all our possibilities. This is our position and we will cooperate with everybody. [passage omitted]

Question from the newspaper LIBERATION: In the light of the initiative of President Mitterrand, who suggested that a meeting should be held between the four powers that have nuclear weapons on the European continent, on what guarantees from the USSR president can one count, bearing in mind the centrifugal tendencies in the republics of the former Soviet Union on whose territory the nuclear weapons are located? [passage omitted on Mitterrand reply]

Gorbachev: I will answer the question about guarantees. The nuclear weapons are now under the control of Union bodies and the country's president as far as strategic offensive weapons are concerned. You ask that question evidently drawing on the statements that have emerged at various times and have given rise to anxiety both in the Soviet Union and among you. I must say that it reflects certain realities of the current state of our society, although all the same members of the cast declared a few days later that they have no claims and understand what nuclear weapons, strategic offensive weapons, etc are, and that everything must be under the control of the joint command of the Union and the president—as it will in the future Union too. So both today and in the long term, the question is solved if we are speaking about a responsible position. But all the rest is our realities, which indicate that, within the framework of the discussions taking place throughout the country, such statements also appear. They show that our democracy is still taking shape, and our new politicians who have emerged into the political arena have also still to be shaped. I must say this with total frankness. Nevertheless, there are no causes or grounds for anxiety. Their attempts in speeches to frighten both the Union and other countries are simply not serious. They amount to nonsensical political talk that must be seen as nothing more than that. What is more, such irresponsible statements must be condemned. [passage omitted]

Gorbachev on Republics

PM011114991 Moscow IZVESTIYA in Russian
1 Nov 91 Union Edition p 1

[By correspondent Yu. Kovalenko: "M. Gorbachev Has Stated in France That There Are Forces That Want To Cause Him To Fall Out With B. Yeltsin"]

[Excerpt] Soustons—Under the conditions of the very grave crisis, the Soviet Union can count not only on France's "understanding" of our problems and on statements of "sympathy" and "solidarity" but also on real, large-scale, aid. According to some assessments, in 1991 alone this aid was about 8 billion francs.

That is perhaps the main result of the meeting between Presidents Francois Mitterrand and Mikhail Gorbachev held in the private residence of the French head of state in the little spot of Latche in the southwest part of the country not far from the Atlantic coast.

During the talks F. Mitterrand reaffirmed his intention to give full support to M. Gorbachev, who, he said, has performed "great deeds" and "determined the future" of his country.

It is clear from the results of the talks at the president's dacha that France would like to build its relations with us and resolve key questions, including those connected with nuclear weapons, at the level of the Union and of central structures. Giving preference to stable contacts with the Union that will exist in one form or another and observing with mounting alarm the country's disintegration, France, its president said, does not rule out the development of direct ties with the republics and primarily with Russia. Actually, Paris is already prepared for this. In early 1992, B. Yeltsin will come here. To all appearances, Moscow has come to terms with this course of events...

The situation in the Soviet Union occupied a central place in the holding of meetings between the two presidents, which took place at F. Mitterrand's initiative. It began with M. Gorbachev describing to the French president the start of the Madrid conference and his talks with G. Bush and Israeli Prime Minister Y. Shamir. The Soviet leader stressed that one cannot count on a rapid solution to the Near East conflict.

The talks, which took place in an atmosphere of great cordiality and trust, also touched in particular on the prospect of the signing of an agreement on a single economic space by other republics, for instance the Ukraine. Mikhail Gorbachev stressed that the Ukrainian Republic may possibly sign this treaty. In his talk with the French president, Gorbachev also touched on his relations with Boris Yeltsin. He said that there are forces trying to give rise to quarrels between them but this is not having any substantial influence on their desire to work together.

For his part, F. Mitterrand drew the outlines of the future European architecture and touched on problems of forming the currency and economic and political union of the "12." Elysee Palace spokesman J. Musitelli, answering your correspondent's question, said that France has no intention of renouncing the idea of a European confederation of East and West and believes that our power will also take a fitting place in it.

In this respect, one of M. Gorbachev's advisers is even more optimistic. He stated that on the one hand the European Community and on the other the new community of sovereign republics that will emerge on the basis of the disintegrated Union will later become two bulwarks of the future Europe. [passage omitted]

Foreign Ministry on 'Secret' Funds to Italy

OW3110170091 Moscow INTERFAX in English
1430 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] "Let's hope the row in Italy about the secret financial ties between the Soviet and Italian Communist Parties—the latter called now the Democratic Party of Left-Wing Forces—should not prejudice the development of Soviet-Italian inter-state relations", an INTERFAX correspondent has been told by a high-ranking Foreign Ministry official of the European department.

He said concerning the situation that both in Italy and France—also boiling over the reports in the Soviet press on the Communist Party's "undercover funds"—the sources of financing for this or that party "are a highly sensitive issue".

We trust no harm will be done to our relations with Italy as a country or with the Democratic Party of Left Forces, stressed the diplomat.

Meanwhile it's been reported that the Prosecutor's Office in Rome has proposed to Moscow carrying out an international inquiry into the secret financing by the CPSU of the so-called "fraternal Communist Parties".

Cypriot Leader on Talks With Gorbachev, Bush

PM0111103591 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 5

[By G. Charodeyev: "Y. Vasiliou: 'The Cyprus Problem Is Bigger Than Cyprus Itself'"]

[Text] Cypriot President Yeoryios Vasiliou is continuing his working visit to our country. After a detailed one-to-one conversation with M. Gorbachev and broader Soviet-Cypriot talks in the Kremlin, Y. Vasiliou held a news conference for Soviet and foreign journalists. Answering an IZVESTIYA correspondent's questions, the Cypriot president said that the Soviet leader had

reaffirmed his wish to consider ways to solve the Cyprus problem and also spoke of his readiness to discuss this issue with U.S. President G. Bush during the coming meeting in Madrid.

During the talks, the sides agreed on the need to settle peacefully a problem "bigger than Cyprus itself." If we divide the world on ethnic grounds, Y. Vasiliou believes, that will be a move toward destroying present-day civilization on earth. "Resolving the problem would benefit everyone—Greeks, Turks, the whole region," he stressed. The Cyprus leader expressed the hope that Turkey will be able to find a peaceful solution to the problem guaranteeing the well-being and prosperity of all Cypriots.

[IZVESTIYA] Do you think that Moscow and Washington agreed on the Cyprus question ahead of the summit meeting in Madrid?

[Vasiliou] I do not think that there has been any agreement. The fact that the two countries have now declared the need to resolve the Cyprus problem is another matter. President M. Gorbachev, as I have already said, showed a personal interest in helping our people. President G. Bush also spoke positively about resolving the Cyprus problem peacefully. But can we be sure that the prospect of a more rapid solution to the problem will emerge after the meeting in Madrid? I do not think that this depends only on the will of the leaders of the two superpowers. The solution of the problem is directly linked to Ankara's position. There were hopes that we would reach agreement with the Turkish leadership at the negotiating table last summer. Nothing came of it. We hope that the new Turkish Government will examine this question in terms that are positive for our peoples.

[IZVESTIYA] Is a new Kremlin initiative expected on settling the Cyprus problem?

[Vasiliou] The Soviet president has a clear idea of all aspects of the Cyprus problem. I do not know what questions will be broached during his meeting with the U.S. President, but I hope that the sides will confirm their common desire to solve the Cyprus problem peacefully and show Turkey the pressing need to continue seeking a most speedy solution to the problem. We do not expect any more initiatives from the Soviet leadership. It is above all necessary—and that was confirmed at the meeting in Moscow—to implement all the UN resolutions on Cyprus that have been adopted but not put into effect....

Supreme Soviet

Lubenchenko Aims for Strong Legislature

PM0111093091 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 2

[Article by A. Stepovoy: "Third Chairman of the Soviet of the Union"]

[Text] In less than two and a half years one of the USSR Supreme Soviet's chambers—the Soviet of the Union—has had three chairmen—the latest being K. Lubenchenko.

This important post in the Union legislature is now held for the first time by a USSR people's deputy mandated directly by the voters. His two predecessors—Yevgeniy Primakov and Ivan Laptev—represented the body of deputies from the CPSU. This fact was evidence of the important role of the figure of chairman of the Soviet of the Union in the former USSR Supreme Soviet.

Konstantin Lubenchenko was elected in an uncontested ballot, and won a large majority of his colleagues' votes—127 "for," 12 "against." The fact that his candidacy was not contested is largely due to the fact that he had previously taken part in four rounds of the contest for the post of Soviet of the Union chairman. Many people also remember that he was involved in what was, in former circumstances, an unequal contest for the post of chairman of the USSR Supreme Soviet, which was "assigned," according to the Congress scenario, to the then mighty A. Lukyanov. At that time Lubenchenko won the second largest number of votes.

Konstantin Lubenchenko was always a notable figure in the Union legislature. He was not too far "left," but never inclined to the "right."

Setting forth his view of the work of the Soviet of the Union (now the lower chamber of the Union parliament), he stressed that his role will not be confined solely to the duties of speaker, but he does not intend to be "director of the chamber" in the Lukyanov style. K. Lubenchenko sees his main task in active participation in the development of an influential and authoritative legislature.

Immediately after his election as Soviet of the Union chairman, K. Lubenchenko told IZVESTIYA's correspondent: "Our chamber now has to tackle two questions first of all. We have to study the measures being undertaken by the country's State Council and the Interpublic Economic Committee, because that could be a matter for action by the commissions of the chamber and the Supreme Soviet as a whole. The second question is organizational. It concerns the normal, healthy work of the body of deputies."

What does I. Laptev have to say as he hands over the baton to the new Soviet of the Union chairman? Ivan

Dmitriyevich answered the IZVESTIYA correspondent's question thus: "I wish Konstantin Dmitriyevich success in implementing the ideas he set forth at the extraordinary session of the Supreme Soviet. At that time he described the role of the Union parliament as a kind of bridge between the various parliaments and political forces. And that bridge should be preserved as long as there is a possibility of even only two forces moving closer together by crossing it."

Soviet of Republics Chairman on Possibilities

LD2910215491 Moscow Central Television First
Program Network in Russian 1900 GMT 29 Oct 91

[From the "TV Inform" newscast]

[Text] Today the upper chamber of the Union parliament—the Soviet of the Republics—elected as its chairman Anuarbek Alimzhanov, people's deputy from Kazakhstan and a well-known writer.

[Begin Alimzhanov recording] If we find a common language, a consensus for all questions, for any questions, then we can get things moving and somewhere start forming some new community. What this community will be like no one knows yet. Possibly it will be a confederation, possibly a community of sovereign republics. After all, here each republic has one vote, each republic has the right to veto all decisions being taken here. [end recording]

The chairman's deputies also were endorsed at the session. There are seven of them, one from each republic.

A package of documents concerning financial-economic activity and the draft law regarding the reorganization of the State Security Committee was submitted to the deputies of the Soviet of the Union. They were proposed to President Gorbachev. However, the chamber declined to discuss them inasmuch as they have not been studied by the commissions. Thus, in particular, why did the Union Finance Ministry need 30 billion rubles? After a short debate it was decided to obtain first of all information regarding the detailed allocation of this credit.

A similar result was then also achieved by the deputies of the Soviet of the Republics.

Soviet of Union Commission Heads Confirmed

LD0111024991 Moscow Central Television Vostok
Program and Orbita Networks in Russian 1630 GMT
31 Oct 91

[From the "TV Inform" newscast]

[Text] The plenary session of the Soviet of the Union took place at the Union legislature today. Members of the Soviet of the Republics worked in commissions:

[Begin correspondent Tsygankov recording] The Soviet of the Union of the country's Supreme Soviet has been confirming the heads of the permanent commissions of

the chamber for the second day. The discussion of candidatures was rather firm. Even the following opinion was expressed: Do candidates, their programs and views meet the requirements of this kind of activities? Finally, after long discussions and a series of voting, the following people were elected chairmen of the commissions: Nikolay (Karyugin), the Commission on Chamber's Regulations and Affairs; Anatoliy (Yezhelev), the Commission on People's Rights and Freedoms; and (Mumensho Kanatov), the Commission on International Affairs. None of the candidates to the posts of the heads of the commissions on transport, power engineering, space and information technology, as well as on science, technologies and education, managed to gather the necessary number of votes. Members of the chamber will have to discuss this tomorrow. [end recording]

Minute of Silence Observed for Repression Victims

LD3010215491 Moscow TASS in English
1540 GMT 30 Oct 91

[Text] Moscow October 30 TASS—The Soviet parliament today observed a minute of silence to mark Political Prisoner Day and commemorate those who died in camps and prisons where they were sent after defending rights and freedoms.

The motion to bow heads in memory of the victims of repressions was made by Deputy Nikolay Engver. He recalled that a year ago the Soviet parliament responded negatively to the proposal to pay tribute to political prisoners who had paid with their lives to make sure that one day the Soviet people would live and work in conditions of democracy in the country where democracy was being trampled.

Now that so much has changed in the country and a new parliament is being shaped, deputies paid their respects to people who regarded the defence of human dignity and freedoms as the supreme manifestation of the human spirit.

Political & Social

Gorbachev Returns From Madrid Conference

LD3110175491 Moscow TASS International Service
in Russian 1657 GMT 31 Oct 91

[By TASS diplomatic correspondent Andrey Pershin]

[Text] Moscow, 31 Oct (TASS)—Replying to questions from journalists near the steps of his aircraft, Mikhail Gorbachev emphasized the importance of the very fact that a dialogue to see a settlement in the Near East has commenced at the conference in Madrid. He also noted the significance of the fact that in the Spanish capital, participants in the "difficult and dramatic events" of the region are sitting together at a table to hold talks for the first time in the last 43 years. As regards current difficulties in the work of the conference, the USSR president

stated that this is not the first blind alley during the course of this forum, nor will it be the last. He called upon people to not jump to hasty conclusions in this regard.

Gorbachev Sees Need for 'Center-Coordinator'

LD0111064691 Moscow TASS International Service
in Russian 2315 GMT 31 Oct 91

[Text] Moscow, 1 Nov (TASS)—"I see the Union and its structures as a key factor in genuinely ensuring sovereignties and their realization in reality in the multidimensional area of a free community," USSR President Mikhail Gorbachev said in a MOSKOVSKIYE NOVOSTI interview. "Considering the new Union, the new role of the republics, and the new role of the center, I do not use the word 'center,' but talk about Union bodies. Here, hope is placed not in the authority of force, but on the force of authority, an authority of jointly developed and voluntarily adopted decisions."

The president noted that the republics are by no means linked together just by the corridors of power or, so to speak, through the bureaucratic artificial limb of the state apparatus. The links have grown up throughout the whole fabric of life of the republics. The economy throughout the whole country is so interwoven as if people had intended to work together forever. Russia today cannot drag itself out on its own because it also is dependent on the other republics. Maybe in several years Russia may be able to cope with its problems on its own, but that is in several years. For the other republics, including the Ukraine, isolationism is a catastrophe.

Speaking about a new form for the center, the president stressed that today a center is needed which is "not a center-despot, commanding and ordering the republics about, but a center-coordinator, empowered for an intermediary role and paid for by the republics themselves."

Sobchak Expects Post of President To Expire

OW3110183991 Moscow INTERFAX in English
1700 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Anatoliy Sobchak, the mayor of St. Petersburg, speaking at a briefing at the mayor's office, has again stated that he does not intend to stand for election as Soviet president. An "INTERFAX" correspondent reports that Mr. Sobchak said he had fairly trustworthy information that the post of Soviet president was soon to be abolished.

The mayor expressed the opinion that it would be necessary to hold elections to local soviets throughout Russia no later than March 1992 so that the number of local deputies be reduced by several times and that local authorities be able to concentrate on local issues. Mr. Sobchak also said that the re-election of the local soviets

should also exclude the interference by these organs in the business of executive bodies.

As far as Western humanitarian aid is concerned, Sobchak declared that it was actually "holding back the country's transfer to market economics". The mayor said that he would have preferred the goods to have been sold in state shops so that the monies from their sale could have been invested in a special fund for cooperation with the farmers' movement.

Union Foreign Ministry Seen As 'Coordinator'

Heavy Layoffs Envisioned

OW3110175691 Moscow INTERFAX in English
1458 GMT 31 Oct 91

[By diplomatic correspondents Mikhail Mayorov and Igor Porshnev; from the "Diplomatic Panorama" (DP) feature; transmitted via KYODO]

[Text] After Mr. Yeltsin spoke in favour of cutting at least 90% of the jobs at the USSR Foreign Ministry in his address to the 5th Congress of Russian People's Deputies on October 28, what is to become of the structure is relatively clear. Mr. Yeltsin's proposal will probably be scrutinized by the "concerned bodies", suggested director of the USSR Foreign Ministry's Information Department Vitaliy Churkin, i.e., the Soviet President and Council of State, according to Mr. Churkin. Mr. Churkin conceded that the USSR Foreign Ministry had made layoffs in the past—but certainly on a far smaller scale. Mr. Yeltsin's plan came as a total surprise to the top administrators at the USSR Foreign Ministry, conceded Mr. Churkin.

In this connection, of interest is the Soviet Foreign Minister Boris Pankin's response to a well-publicized statement of his Russian colleague Andrey Kozyrev, who said several days before Mr. Yeltsin's October 5 address that "the USSR Foreign Ministry, the way it is, is not in the interests of the Russian Federation or the other republics or the formation of a new Union." Mr. Pankin was of the opinion that the statement was probably a slip of the tongue. "Before my Middle East visit," emphasized the Soviet foreign minister, "we saw eye to eye on common objectives, coordination of efforts, and the division of responsibilities and powers between the Union and the Russian Foreign Ministries. Mr. Gorbachev and Mr. Yeltsin fully agreed to the scheme.

In his comments to DP after Mr. Yeltsin's address, Mr. Churkin was more reserved in his assessments, but what he said implied that if the Russian foreign minister's proposal is followed through, the transition from a single state to a union of states would be a fait-accompli. "It is difficult to imagine a country that would lay a claim to being called a united country but that would pursue 12 foreign policies, no matter how well-coordinated," said Mr. Churkin. Under these circumstances, it would be difficult to expect that any trappings of a united country would be preserved. "It is difficult to imagine 12 foreign

policies, yet a unified military and a unified control over nuclear arms. Anyway, now's a crucial time," said Mr. Churkin.

The RSFSR [Russian Soviet Federated Socialist Republic] Foreign Ministry appears to agree that now is a crucial time—but does not subscribe to the conclusions the Union Foreign Ministry has arrived at. "The need for changes to the structure and functions of the USSR Foreign Ministry was constantly mentioned at all sittings of the Council of Foreign Ministers of the Sovereign Republics. We want the Union Foreign Ministry to transform itself into an interrepublic consultative-coordinating structure," said a senior Russian diplomat, Mikhail Kamynin. He told DP that coordination is required on the vitally important policies, for example, on nuclear disarmament and economic cooperation. According to the diplomat, the Russian Foreign Ministry never sought the scrapping of the Council of Foreign Ministers "with a unified coordinating interrepublic body in place, there will be no 12 foreign policies," said Mr. Kamynin. According to him, it is required to transfer the development of bilateral relations between individual Soviet republics and foreign countries to the authority of republican foreign ministries. The diplomat expressed the conviction that the forthcoming layoffs at the USSR Foreign Ministry will not put skilled diplomats employed there out of work. "The Russian and other republics' foreign ministries need true professionals," said Mr. Kamynin.

Other Reform Issues

LD0111120391 Moscow TASS International Service
in Russian 1123 GMT 1 Nov 91

[By TASS diplomatic correspondent Andrey Surzhan-skiy]

[Text] Moscow, 1 Nov—Issues linked with reforming the USSR Ministry of Foreign Affairs [MID] and strengthening interaction between former Union republics in the sphere of foreign policy are on the agenda of a meeting of heads of the foreign political departments of sovereign states which had been part of the USSR. The meeting opened in Moscow today. In the opinion of observers, this meeting is connected with the latest initiatives of Andrey Kozyrev, Russian minister of foreign affairs, who has spoken in favor of transferring the main functions and professional apparatus of the USSR MID to republics. The Union ministry is expected to retain only the role of coordinator. At the meeting the USSR MID is represented by First Deputy Minister Vladimir Petrovskiy, and Deputy Minister Valeriy Nikolayenko.

Council Recommends Silayev as IEC Chairman

LD0111105891 Moscow TASS International Service
in Russian 1012 GMT 1 Nov 91

[By TASS correspondent Ivan Ivanov]

[Text] Moscow, 1 Nov (TASS)—Ivan Silayev was recommended for the post of chairman of the Interstate Economic Committee (IEC) at a meeting of the Council of the Heads of Governments of Economic Community member states today.

Representatives of the sovereign republics which signed the Economic Community Treaty in mid-October are taking part in the meeting—Armenia, Belorussia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenia, and Uzbekistan. Also, representatives of the Ukraine, Georgia, Azerbaijan, and Moldova have been invited. Today they are to discuss the issue of approving the IEC statute and its structures. According to the Economic Community Treaty, the IEC will be an executive body of the Economic Community. It is expected that, after examining the issues of IEC chairman and government structure at the Council of Heads of Governments, they will be submitted to a sitting of the State Council scheduled for 4 November.

Memorandum of Understanding on Foreign Debt

PM0111101091 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 3

["Memorandum of Mutual Understanding Concerning the Debt to Foreign Creditors of the Union of Soviet Socialist Republics and Its Successors in Law"—published under the "Documents" rubric]

[Text] The signatories to the present Memorandum of Mutual Understanding, hereinafter called the "parties," considering the current changes in state structures and their present economic and financial difficulties, deem it necessary to clarify and confirm to their foreign creditors their collective position with regard to obligations on payments arising from the debt, as defined hereinunder, to foreign creditors of the Union of Soviet Socialist Republics and its successors in law. They, therefore, declare themselves legally bound by the obligations contained in the present Memorandum of Mutual Understanding.

For the purposes of the present Memorandum of Mutual Understanding "debt" means debts not repaid as of the date of the present Memorandum of Mutual Understanding, borrowed by the government of the USSR or other lawfully empowered legal entities from foreign creditors.

Thus, the parties agree on the following:

I. Acknowledgment of Indebtedness

The parties declare themselves jointly and severally responsible for the debt, without detriment to the original contracts.

II. Mandate for the Authorized Agent for Management of the Debt

The parties empower the USSR Vneshekonombank [Bank for Foreign Economic Activity] or its legal successor or other such legal entity that they may appoint by agreement, hereinafter called the "authorized agent for management of the debt," and hand over all powers for the compilation of an inventory, the conduct of negotiations, and the adoption on their behalf of any obligations relating to the debt.

The parties agree to take all necessary measures to fulfill agreements concluded by the "authorized agent for management of the debt," including the provision of the necessary foreign currency.

The "authorized agent for management of the debt" shall be the sole partner between the parties and foreign creditors with regard to the debt.

The parties will cooperate with a view to ensuring the exchange of all information regarding the debt with a view to the verification of its size and the creation of an interstate council for supervision of the debt without detriment to the immediate entry into force of the present Memorandum of Mutual Understanding and all its provisions, including the powers and immediate functioning of the "authorized agent for management of the debt."

III. Servicing of the Debt

The parties will ensure the servicing of the debt and are fully responsible for obligations arising from the present Memorandum of Mutual Understanding.

They agree to pursue a policy designed to ensure rapid economic restructuring, so as to increase their capacity for servicing the debt, and to this end to cooperate with foreign creditors and relevant multilateral organizations.

With a view to ensuring the fulfillment of obligations assumed under the present Memorandum of Mutual Understanding, the parties express their intention to conclude an agreement defining the procedure and mechanism for servicing the debt, with a view also to conducting talks and concluding an agreement on participation in the repayment of the debt on a basis of joint and several liability with Latvia, Lithuania, and Estonia. In this connection the relevant state organs will make available to the parties all necessary information on the USSR's assets and liabilities. The parties guarantee that the said actions will not be detrimental to the immediate entry into force of the provisions of the present Memorandum of Mutual Understanding.

Deputy Argues Need for Emergency Situation

OW0111000491 Moscow INTERFAX in English
1430 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] The failed coup compromised the very idea of emergency measures to save the country—said a leader of the Union group in the USSR parliament, Victor Alksnis, in an interview with the newspaper COMSO-MOLETS KUBANI.

At the same time V. Alksnis finds that an emergency situation is badly needed—a suspension of democracy, of party activities, all parties, not only the communists. "That would make deputies and other politicians talk less of sovereignty and more of concrete measures to save the country".

V. Alksnis fully expects the Soviet Union to live through events similar to those in Yugoslavia. "The economic problems which usually lead to a social explosion will be complicated by an inter-ethnic explosion", he warned

In his opinion, "the country needs a shock therapy, not such as would lead to market economy. We have to re-assess our values and pass through a terrible phase with many victims. Meanwhile we have been drunk with freedom and democracy little understanding that they promise anarchy and chaos. We should have kept our single state. In this ecstasy of democracy we are going to hell", stressed Victor Alksnis

Involvement in Trade of Secret Documents Denied

LD3110210691 Moscow TASS in English
1940 GMT 31 Oct 91

[Text] Moscow October 31 TASS—Information published in the newspaper THE GUARDIAN about alleged private trade in secret documents from KGB archives is not true, a spokesman at the KGB public relations centre told TASS.

THE GUARDIAN had recently reported "sensational news" that KGB agents, without much ado but actively engaged in selling the right to access to the most valuable archives of the security agency, which is living through difficult times, to Western authors and publishing firms. The newspaper reported in particular that copies of letters by Kim Philby were offered to interested people in Britain.

A statement issued by the KGB public relations centre emphasises that, in accordance with the practice of promoting openness in KGB activities, documentary materials are made public free of charge, as a rule, and only with the leadership's permission. Before that, secrecy grading is lifted from materials according to an established procedure.

Private trade in secret documents is a punishable statutory crime. Not a single such case has been registered in the KGB, the statement points out.

New Left-Wing Party Initiator Interviewed

PM3110144591 Moscow PRAVDA in Russian
25 Oct 91 pp 1, 2

[Interview with USSR People's Deputy A.A. Denisov, by V. Litvin under the rubric "Interview in the Issue"; date and place of interview not stated: "So That Evil Shall Not Prevail"]

[Text] USSR People's Deputy A.A. Denisov is one of the initiators in setting up a mass party of left-wing socialist orientation, which it is assumed many members of the currently suspended CPSU will join. The party's founding conference will be held 26-27 October in Moscow. Our correspondent met with Anatoliy Alekseyevich and invited him to answer a number of questions.

[Litvin] As far as I know, you had a meeting with M.S. Gorbachev about setting up the new party...

[Denisov] I talked with him about another matter entirely, connected with my work in the former Supreme Soviet as chairman of the Commission on Deputies' Ethics. But, naturally, I could not resist asking him a question about his attitude to the new party. The spirit of Mikhail Sergeyevich's reply was that he, as president, must adhere to a completely neutral line in this matter, but as an individual he supports the new party and wishes it success.

[Litvin] It looks as though this is yet another extreme: Formerly the president was too closely connected with a party, but now he is completely dissociating himself from one and expressing his political positions merely as a private individual...

[Denisov] In fact, political parties all over the world are set up to struggle for power and realize their election programs, and no president or prime minister hides his party allegiance. Incidentally, our democrats' leaders are doing the same thing. And I would in no way condemn them had they not formerly rabidly argued the need for total departyization of state structures. Now, however, the "Democratic Russia" leaders want to install as many of their own people as possible in key state posts everywhere—people who observe discipline far more strictly than the former Communists. In actual fact what is happening is not departyization but repartyization of the state apparatus and the representative organs of power.

[Litvin] Unless I am mistaken, one of the initiators behind the establishment of the new party, USSR People's Deputy Roy Medvedev, the well known commentator, stated that it should dissociate itself from M.S. Gorbachev.

[Denisov] I think otherwise. I believe there is no point in our supporting or, on the contrary, rejecting particular personalities in advance. In this matter we should display a healthy pragmatism and flexibility, which the CPSU conspicuously lacked before. If, for example, the USSR presidential elections are still going to be held in

spring next year, and if M.S. Gorbachev has a real chance of getting elected, why should the new party not support him, provided, of course, it deems this to be necessary. But there are many "ifs" of all kinds here. After all, we cannot rule out the possibility that there will be no election or that some other candidate will appear. It is not worth speculating.

[Litvin] I will ask a question that it is simply impossible to dodge. What is your assessment of the behavior of the former CPSU leaders immediately after

[Denisov] I would like to highlight two aspects here: the emotional and the rational. Taking just the first one, it is entirely possible to form an impression of betrayal, cowardice, and self-seeking. Millions of Communists and party workers at local level were simply abandoned to the mercy of fate and were subjected to moral and psychological terror, and in some places physical terror as well. The extent of the repressions was very reminiscent of 1937. Thank God it passed off without any executions; times have changed, as the saying goes. But, you know, you can finish off a person and trample all over him as an individual by using other more modern and sophisticated methods.

[Litvin] What about the rational aspect?

[Denisov] Here I would not be so categorical. Now that passions have clearly cooled down, it is becoming obvious: If at the time, at the height of the anticommunist hysteria, M.S. Gorbachev had continued to uphold his previous positions, we would undoubtedly have ended up not with a suspension of but with a complete ban on CPSU activity, with all the consequences that this would have entailed. In the heat of the moment, inflamed by the steadfast opposition of the president, the victors would have committed such follies that even the nightmare we had been through would have seemed like innocent childish fun. We have already become far more proficient than anyone else in totally eradicating "enemies of the people"—we have enormous and varied historical experience. Even today there are plenty of energetic rogues in our country who are prepared without hesitation to set fire to a multistory apartment block along with its residents merely to cook themselves an omelet over the flame. During the perestroika years the number of people who have completely lost all moral criteria has increased rather than decreased. This is a sad but, alas, indisputable fact. And looked at from this point of view, the behavior of M.S. Gorbachev and other party leaders may not seem justified, but at least it is explicable... It looks as if the truth lies somewhere between the two extreme approaches.

[Litvin] Observing the current attempts to finish off the Communist Party, one reaches a paradoxical conclusion: Those now showing themselves the most zealous of all in this regard are the ones who held prominent posts in the structures, the ones who kept quiet and lay low during the years of stagnation. And on the other hand, the most active defenders of the party are those who suffered the

most at the whim of the former ranking bureaucrats and had no access to the benefits and privileges of the stagnation period.

[Denisov] And what is so paradoxical about this? On the contrary, all this is absolutely natural. Do you remember the words of Nekrasov: "Whoever lives without sadness and anger does not love his native land"? The indifferent timeservers who predominated in the party apparatus, press, and ideological institutions paraded their sham adherence to Marxism-Leninism only because it was to their advantage. When it became advantageous to denounce Marx and Lenin, they began to sing a quite different tune and attempted with redoubled zeal to to make amends for their former "socialist sins." But honest people who were sincerely loyal to socialist values were persecuted by Brezhnevite party bureaucrats, just as they are persecuted today, only now by "democrats" and "lovers of liberty," who are the same bureaucrats who have hastily changed sides.

[Litvin] The same timeserving and cynicism, only in a democratic guise...

[Denisov] Precisely; we are not changing, and if we are, it is for the worse. Nobody reflects that this "revolutionary spirit" alienates conscientious, honest, and capable people from a genuinely valid reorganization of our system and, conversely, encourages unprincipled careerists and rogues to greater activeness and effrontery. In the final analysis success depends on the level of morality, culture, and decency of the majority, but we are putting this success further and further out of reach by in fact instilling directly opposite qualities and characteristics in people. In the place of our political inquisition, which is at present ecstatically exposing who did and said what 19-21 August, I would direct my efforts in an entirely different direction. I would fully rehabilitate those who openly supported the members of the SCSE [State Committee for the State of Emergency] and I would deal with those who took up cowardly and temporizing positions or displayed total indifference. Sincere and honest people, however deluded, will never do as much harm as those who automatically support whoever is "in power," that is, the timeservers and fence-sitters. A great many people have already sprung up in our country who eulogize the latest moods and instructions—regardless of whether these are communist or democratic—and are prepared to run ahead of the locomotive, speeding up the movement of the train even when it is racing into the abyss at full steam. Well really, even those who try to blow up the track are less dangerous, although, of course, it is high time we managed without any "demolition men" at all. [Litvin] But judging by the results of elections and public opinion polls, the passengers on this train, to continue your comparison, approve of its progress along the path of freedom and democracy. Which means that the engineers must also...

[Denisov] First and foremost they must drive skillfully, knowing exactly what they are doing, and they should

not heed the cries or even the chanting of those who do not understand anything about driving. After all, it is rightly said that if a nationwide referendum were held on the law of universal gravitation, the overwhelming majority, misled by strident demagogues, might vote for its repeal. But would this not cancel out an objective law? Most people care about day-to-day, entirely prosaic matters—work, pay, where and how to get food and clothing, and so forth—and as a rule do not go deeply into political and theoretical questions. There is no point in deceiving ourselves—the masses can be susceptible not only to advanced but also to backward sentiments that contradict their basic interests. But we are all continuing to intoxicate ourselves and others with false panegyrics in the spirit of stagnation on the theme of our “freedom-loving people,” who have supposedly changed as a result of the democratic changes. They have indeed changed; things are even worse than they were before perestroika, although the baseline level was by no means impressive either. It has to be admitted that there were no more than 20,000 active defenders of the White House, and not all of them were fighting for an idea, there was also a self-seeking and criminal element. A mere drop in the bucket compared with 9 million Muscovites. I am saying this not in order to belittle the selflessness and heroism of those who struggled against totalitarianism. But ultimately we must stop these comfortable lies, if only out of a feeling of elementary self-preservation. In 1917 the Mensheviks and the Socialist Revolutionaries were also quick to extol the “freedom-loving people.” But ultimately the people followed the Bolsheviks, who did not entertain illusions of this kind and, although they may not have made use of the best characteristics of our people, they nevertheless used characteristics that were real enough.

[Litvin] Do you think that the threat of another anti-democratic coup has not been lifted?

[Denisov] Such a coup is inevitable unless the catastrophic decline in the people's standard of living can be stopped. The key figure now is the entrepreneur engaged in the production sphere. Any kind of support he can give will help to drag industry and agriculture out of crisis, absorb growing unemployment, and raise labor remuneration. But in our country the whole of the state's alleged market policy is in fact geared to encouraging speculative capital and swindlers, intriguers, and cheats of all kinds, who are freely plundering public property. And all this is taking place against a background of official bureaucratic arbitrariness and oppression that is intensifying to such an extent that entrepreneurs are all but climbing onto the barricades. With the communists there was a large gulf between words and deeds, but today's allegedly democratic rulers have brought this gap to an explosive stage. People are saying bluntly that one lot of chatterboxes and scoundrels has replaced another, and it is hard to object that they are wrong.

[Litvin] But is your support for private capital compatible with socialist convictions?

[Denisov] Completely. Modern capitalism has taken many elements from socialism. A strong state sector, planning, the implementation of large-scale economic, scientific, and technical programs, the improvement of living standards and social protection for working people—all these purely socialist elements have been developed in capitalist countries to a far greater extent than in our own country at the present time. And they have been developed on the basis of our experience, the experience of building the world's first socialist state. Not everything in our past was bad, you know. Our party and state leaders, in whom we were simply fatally unlucky, missed the moment when they should have rapidly, flexibly, and effectively restructured the administrative-edict system, mired in conservatism and stagnation. Now its breakup is extremely painful, of course, and is proceeding largely by trial and error, which is greatly increasing the political, economic, and other costs. The basic mistake, however, is that a course has been set not toward modern capitalism but toward the premonopoly capitalism of the 19th century, not toward a regulated market, as everywhere in the West, but toward an unfettered market. Traditions, skills, and the mentality that has prevailed among our people for many decades cannot be broken, so to speak, across your knee. For all the emphasis on introducing market relations, the state and public sector and the level of socialization of the economy should occupy a far more extensive position in our country than in the West.

[Litvin] Do the other initiators in setting up the new party share this approach?

[Denisov] On the whole, yes, although the range of differences on individual questions is quite wide. And I do not see anything bad about this. Let there be different factions in the new party competing with one another to formulate ideological and theoretical approaches and programs. This struggle or dialectic collision of opinions will move the party forward. Experience shows, however, that an absence of struggle between different currents inevitably turns a party into a stagnant bog.

[Litvin] You are not proposing even to have a staff apparatus in the party...

[Denisov] If there is a staff apparatus it will be kept to a minimum, maybe only a few people, including the secretary. And, of course, technical personnel. However, emphasis will be placed on voluntary principles and on the work of the party's nonstaff aktiv, so to speak. In my view, the extensive use of contractual principles is expedient. Of course, the size of the staff apparatus might increase sharply for the duration of election campaigns and then be reduced again. There is just one principle: There must be as little bureaucracy and red tape as possible, and we must be as close as possible to ordinary party members and to life.

[Litvin] All this, whatever you may say, requires considerable funding. Are you hoping to receive some of the former CPSU's property?

[Denisov] Well, formally speaking it is not yet the former CPSU. The party's activity has not been banned but suspended—there is a big difference here. Personally, I think it is simply impermissible to tolerate manifest lawlessness and flouting of the elementary rights of millions of Communists. Once again we have made ourselves the laughingstock of the whole world. First a Central Committee plenum and then a CPSU Congress, where all questions relating to succession to the party should be resolved, should be held without delay. It is true that a considerable proportion of the party's property in the form of buildings, premises, boardinghouses, and so forth, seems to have been irretrievably expropriated, in our best Bolshevik traditions. But what can still be returned should be returned and shared out fairly among the CPSU's successors, not just our party, of course, but others as well. And former party members could support particular organizations both by their own personal participation and materially, in the form of membership dues. Let them have the ultimate decision, and not former apparatus officials.

[Litvin] A question on a slightly different theme, relating to the activity of the former Supreme Soviet. I well remember the television reports from the extraordinary session in August after the putsch. It was painful and offensive to observe the absolutely terrified people's deputies automatically approving everything dictated by the triumphant victors. I remember your speech in which you recounted the talk you had 19 August with A.I. Lukyanov, from which it emerged that he in no way supported the members of the SCSE. After all, at the time the former Supreme Soviet chairman was being bad-mouthed in practically every speech, and they voted automatically to deprive him of his deputy's immunity without asking any questions, although it seemed that elementary self-respect demanded a different approach...

[Denisov] I do not see this as being particularly courageous. I try not to adapt myself to what other people think. As regards A.I. Lukyanov, I was convinced of his innocence then and I am convinced of it now. If Anatoliy Ivanovich can be accused of anything, it is of delay in convening an extraordinary session of the Supreme Soviet. It had to be convened even without a quorum, as was done by the leadership of the Russian legislature. But this is rather a case of an official omission or misdemeanor, and certainly not a criminal offense, which is what Lukyanov is being accused of. I am not even going to mention the fact that, in view of the state of health of the legislature's former chairman, he could very well have been kept under house arrest. The numerous violations of the law which the defense attorneys quite rightly point out are no credit to us at all. If we are able to treat the head of the legislature in this manner, what can we say about ordinary people. In displaying revolutionary supervigilance, we have once again shown the whole world the sheer extent of our moral depravity and disregard for all legal and civilized norms...

[Litvin] But a number of USSR people's deputies accuse A.I. Lukyanov of manipulating them and resorting to diktat...

[Denisov] It is only in this country with its—forgive the expression—feudal and serflike concept of deputies' honor and dignity that people resort to such arguments. If deputies bitterly complain of being manipulated like puppets, then they are not much good as people's representatives or as independently-minded individuals. Finally, if you allow yourself to be dictated to or let others impose their will, it is better to quit the legislature, where deputies pledge to uphold their voters' interests in the face of any pressures. Clearly, things will go quite badly for those who expose "enemies of the people" if they start using such absurd, not to say disgraceful, arguments.

[Litvin] I was surprised to learn that you are not a member of the new Supreme Soviet. After all, in the past you were one of the most prestigious and respected deputies, successfully combining leadership of a legislative commission with frequent and quite effective speeches at sessions. At any rate, you always had lots of constructive proposals. One would have thought that the new Supreme Soviet ought to look after its reputation by drawing on the best that the past has to offer...

[Denisov] I was never personally devoted to any particular person, I never loudly cheered or catcalled at rallies, nor did I vote to please certain legislative factions or groups. My creed is to ensure that evil does not prevail. Moreover, I constantly made proposals whose implementation could seriously hurt the interests of influential people.

Can't you see how many impermissible faults I have, in terms of both the old and the new eras and criteria? With these faults how could I get into the new and, it is claimed, genuinely "pluralist," "democratic," and "sovereignty-respecting" legislature?

Just One Thing: 'Give People Something To Eat'

PM3110163991 Moscow IZVESTIYA in Russian
26 Oct 91 Union Edition p 7

["Editorial Viewpoint" article: "Socially Dangerous Malnutrition"]

[Text] Forty-five percent of adults polled by sociologists would like a return to the "unique path." In simpler terms, to the situation the country was in before the advent of Gorbachev. Whether you like it or not, that is the fact established through wholly professional research. So do millions of people prefer total violence, the total allocation of everything, and total isolation from the rest of the world to the freedom which has been gained? Do millions dream of returning to a huge concentration camp where only the guards prosper? Where anyone trying to break out of the camp is shot without warning, but at least everyone is allocated a certain

number of square meters of housing and a meager, beggarly, but guaranteed food ration?

For some reason this information is in no way getting through to those who in three August days managed to acquire the full panoply of power but for some reason are in no hurry to use it. Is it really so difficult to understand just two circumstances of place and time in which they, alas, are doing nothing? First, the main instigators of the August events and their accomplices at oblast, kray, and rayon level are certainly not bereft of social support. Moreover, this support is broadening and strengthening not daily but hourly. It is being strengthened by this very inaction, or, worse still, by clumsy, unprofessional actions.

So everyone who has the legal right to command, order, and issue instructions must use this right without delay to ensure that something other than congresses, conferences, and similar costly gatherings actually happens in the life of the country. Let the people who comprise the explosive 45 percent receive more sugar, flour, and groats—even if only tiny amounts—rather than hot air. Only then will there be hope that tomorrow they will constitute 44 percent, and the day after that 43.

While the scales are wavering, we must urgently tip the pan of the scales that promises progress along the road which the rest of mankind is successfully traveling. Do just one thing. Give people something to eat. And this something will immediately be transformed in the people's mind into a plus for the legally elected presidents and their ministers. Otherwise someone whom no one elected but whom, as we can see, almost half the population is prepared to follow will shout "Full speed astern!" Whether this is the better or the worse half is another question. The answer to that has no practical importance now.

Poll on Improvements Following Coup Attempt

OW3110100991 Moscow INTERFAX in English
0815 GMT 31 Oct 91

["Viewpoint": "Nothing Has Changed in the Country Since August Coup Attempt, Say Majority of Population"; transmitted via KYODO]

[Text] Is there more order in the country after the failure of the August putsch, or is there less? This question was asked in a survey that was conducted by the National Public Opinion Studies Centre (VCIOM) in Russia, the Ukraine and Central Asia.

More than half (57 percent) of those asked said that nothing had changed, 30 percent believe that there is less, and 6 percent, there is more order. Others did not know what to say.

The respondents were asked to appraise the political situation in Russia, the Baltics and Georgia.

	Russia	Baltics	Georgia
progress of democracy	33%	40%	11%
survival of old order	9%	8%	8%
formation of dictatorship	8%	10%	33%
would not answer	30%	4%	48%

2,053 respondents were polled, says the DATA news agency. Admissible margin of error: 3 percent.

Opinion Poll Assesses Politicians' Performance

OW0111111191 Moscow INTERFAX in English
0747 GMT 1 Nov 91

["Viewpoint: Popularity Rating of Soviet Political Leaders"; transmitted via KYODO]

[Text] According to the DATA news agency, the National Public Opinion Studies Center took an opinion poll in October among 2,053 respondents in the Russian Federation, the Ukraine and Central Asia asking them to assess the performance of Mikhail Gorbachev, Boris Yeltsin and Ivan Silayev on a scale of 1 to 10.

	Gorbachev	Yeltsin	Silayev
1	23	8	12
2	11	5	9
3	18	9	14
4	11	11	13
5	17	18	18
6	5	9	9
7	5	9	6
8	3	12	7
9	2	7	4
10	4	12	5

Asked whether they support Yeltsin or Gorbachev, 15% chose Yeltsin, 12%—Gorbachev. The rest found it difficult to answer.

The poll showed that 36% of the respondents would like Gorbachev to remain USSR President. 12% are against that idea. 22% have no opinion.

Margin of error—3%.

Economic

Gosbank Reveals \$4 Billion Shortfall for Debts

LD0111150991 Moscow TASS in English
1501 GMT 1 Nov 91

[By TASS correspondent Vadim Yegorov]

[Text] Tokyo November 1 TASS—The Soviet Union lacks some four billion dollars to settle its foreign debts

to Western countries, the term of repayment of which expires this year, according to the chairman of the Soviet State Bank Gosbank.

Viktor Gerashchenko told the Japanese NIHON KEIZAI newspaper on Thursday [31 October] that the G-7 group was considering a possible debt deferral. Speaking of other ways out, he said it was also desirable to create a system of reserve credits at the Bank of International Payments.

Commenting on Russian Leader Boris Yeltsin's announced price liberalisation proposals, Gerashchenko was sceptical, saying that "it is doubtful how successful this will be economically".

Consumer Market Examined, Jan-Sep

OW0111015191 Moscow INTERFAX in English
2222 GMT 31 Oct 91

[From "Soviet Business Report"; transmitted via KYODO]

[Text] The problems besetting the consumer market, which developed from January to September of this year, have no analogy in the entire postwar period, experts at the MAKROEKON Center point out. In the first nine months alone, the volume of turnover at comparable prices dropped by almost 12% from the corresponding period of 1990.

Between January and September 1991, for the consumer goods sector as a whole, the combined paid services rose by 170.6% from January to September, with the breakdown being 173.1% for goods and 153.7% for services.

The consumer market remains a scene of total deficit, panic buying, and various forms of barter and black marketeering. Nevertheless, although production of goods is declining and the purchase of commodities and raw materials from abroad continues to be curtailed, the income of the population continues to grow uncontrollably. For 1991 as a whole, incomes will have increased by 90% to reach 1,240 billion rubles, as compared with 652 billion rubles for 1990. The consequence of this growth is an increase in inflationary pressure on retail prices and a further fall in the standard of living.

The following figures attest to the degree to which the output of consumer goods by light industries and the agro-industrial complex alone has dropped:

Key Commodities	Production (in %) as compared with 1990 January-September
Cotton Fiber	97.5
Linen Fiber	64.9
Woolen Cloth	85.2
Silk Cloth	88
Knitwear	86

Shoes	90
Meat, including 1st category byproducts	88.2
Butter	86.6
Cheese	87.8
Granulated sugar from sugar beets	75.7
Confectionary	90.7
Vegetable Oil	96.3
Milk Products	90
Fish Products	91.1

At current prices, the anticipated volume of retail trade will stand at 840 billion rubles in 1991, while the actual quantity of goods sold will drop by 14%. A drop in sales of high tech goods and even of commodities that are everyday necessities is also expected this year. Thus, sales of television sets and of refrigerators will be down by 2-5%, but sales of detergents and soap will be down by 11-26%, and those of matches by 3.5%. In 1991, consumers will be left with 80-300 billion rubles that they would like to spend on goods which are simply not available.

Forecasts for 1992 indicate that there will be no increase in the volume of goods reaching the market place.

At the current level of prices for goods, the level of satisfied consumer demand is expected to average about 75% in 1992. (For foodstuffs, the figure will be 65%, for clothing—70%, and for household goods and electronics—82%).

However, with goods in short supply and a 180% increase in the availability of funds, prices could rise by a minimum of 170% from their level at the end of 1991.

In such a case, the volume of retail trade could rise to 1,440 billion rubles. However, should the republics succeed in instituting a speedy liberalization of prices, prices will undoubtedly rise even more steeply.

In 1992, the tempo of growth will vary according to category of goods in question.

The output by the defense industries of consumer radio and electronic equipment and of sophisticated electrical goods produced is expected to rise by 10% or more. At the same time, little or no improvement is expected in the civilian manufacturing area. Responsible for this is a deficit of inputs, caused by the breakdown in inter-republican trade and a sharp cut back in imports. Illustrative of the problem is the fact that 23% of Soviet-made refrigerators need imported components, as do 42% of the washing machines and 100% of electric sewing machines manufactured in the country.

Output of furniture will be particularly hard hit. This year, furniture production will drop due to shortages in imported inputs, as well as varnish, furniture fabric, and plastic coating, and in 1992, output of furniture is expected to be only 80-85% of 1990's level.

In view of the shortage of polymers, articles made of plastic will be 20% less than 1990's level.

Although new forms of ownership will increasingly take hold in the countryside in 1992, a serious shortage of small-scale machinery and tools is expected. Even at present, for instance, there is demand for 125 million agricultural machines, but only 134,000 are available for purchase; demand for mini tractors is 200,000, but current supply is only 3,800 units.

Demand for timber and building materials will also increase. Next year, private construction of housing will be 26% of total housing construction, whereas in 1989 it was only 18%. At the same time, sales of lumber are currently 30% less than they were in 1990, while 20% less cement and roofing materials are on offer.

'Serious Slump of Production' Detailed

OW3110151491 Moscow INTERFAX in English
0945 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] The first eight months of 1991 have seen the turnover of Soviet foreign trade contract by 37% compared to the same period last year, to reach 102 billion rubles [R] by the beginning of September (measured in current prices and converted into rubles at the commercial exchange rate of the USSR's State Bank—\$1 = R1.75).

The pattern of the Soviet Union's foreign trade ties has primarily been affected by the serious slump of production in nearly all economic sectors, increasingly deformed and ungovernable economy, shrinking export base, shortages of foreign exchange and growing foreign indebtedness, says economist Aleksandr Shevchenko, who has been asked by "INTERFAX" to offer his comments on the Soviet Union's performance in the area of foreign trade during this period.

Total Exports Fall by 26%

The exports of many categories of raw materials have declined dramatically, with exports of oil falling two times, of iron ore—1.7 times; of pig iron—2.1 times; of iron-and-steel mill products—3.3 times; of timber—1.9 times; of cotton in staple—2.3 times; and of diesel fuel and black oil—by about a quarter. By the beginning of September, export targets had been met by 53%, with only 61% of pledged amounts of oil and 68% of those of aluminium having been delivered, and export supplies of iron ore-and-scrap mixtures, pig iron, rolled steel, ammonia, polyethylene, sawn timber, cellulose, and trucks having fallen more than 30% short of pledged amounts.

Imports Shrink by 45.3%

By slashing its imports, the Soviet Union has been able to achieve a 5.9 billion ruble foreign trade surplus by mid-1991, compared to a 15.1 billion ruble deficit a year earlier.

Import targets for the first eight months of this year have been fulfilled by only 41%. Imports of some categories of consumer goods fell to 1/2-1/5 of last year's levels.

Trade With Former Comecon Countries Nearly Halved

Trade turnovers with ex-Comecon countries have plummeted, with exports falling by 46% and imports by 41% compared to the first eight months of 1990.

These countries currently account for 25.2% of the Soviet Union's foreign trade (down from 43.2

last year). Despite sharply reduced imports, its trade with the Comecon area showed a 700 million ruble deficit by the beginning of September.

Better Record in Trade With the West

The above-mentioned trend is less apparent in Soviet trade with industrialised countries.

By September, Germany was still the Soviet Union's largest trading partner. Although Soviet exports to Germany contracted by 12% and its imports by 44% compared to total exports from and imports to Western and Eastern Germany in the first half of last year, Soviet-German trade still accounts for 14.5% of the USSR's total foreign trade turnover.

Imports from other developed countries also fell by 35-40%. Exports to some of them, however, showed an increase.

These changes have resulted in a different line-up of the Soviet Union's main trading partners.

20 largest trading partners of the USSR

Germany	11.2	Czechoslovakia	4.7
Italy	4.5	Poland	4.3
U.S.A.	3.7	Japan	3.6
France	3.5	Bulgaria	3.2
Cuba	3.0	Hungary	2.8
Netherlands	2.5	UK	2.5
Yugoslavia	2.4	Finland	2.2
China	2.1	Austria	1.8
Romania	1.5	Canada	1.4
Turkey	1.2	India	1.2

The relative importance of developed countries in Soviet trade has, on the whole, grown. Their share in Soviet trade turnover currently amounts to 55% (as compared

to 36% in 1989 and 26% in 1990), with the G-7 countries accounting for about 40% (up from 26% in 1989 and 29% in 1990).

Trade with developed European countries showed the surplus of about 7 billion rubles during the first half of this year, with surpluses in two-way trade standing at over 1.4 billion rubles for the Netherlands, about 1 billion rubles for Finland, over 0.7 billion rubles for Belgium, and over 0.6 billion rubles for France.

A substantial share of foreign exchange earnings yielded by trade with these countries is used to buy grain in the U.S. and Canada. The Soviet Union's balance of trade with the latter two countries has been unfavorable, with deficits running at 2.6 billion rubles and 1.3 billion respectively at the end of June.

Net foreign exchange receipts from the trade with the economically developed countries amounted to 2.4 billion rubles at the end of June, and rose further to 3.4 billion rubles by September of this year.

Cutbacks on Foodstuff Imports Necessary

OW0111010091 Moscow INTERFAX in English
2222 GMT 31 Oct 91

[From "Soviet Business Report"; transmitted via KYODO]

[Text] During the past two months, the USSR has reduced its imports of foodstuffs. Consequently, this year's plan for importing basic foods will not be met.

Thousands of Tons			
1991 Plan	Received	Contracted Till Year End	Purchased in 1990
1834	681	250	1129.1
500	34	14	278.9
1062	204	105	567.4

Mr. Gennadiy Kulik, Russia's vice premier, believes that the reduction in imports stems primarily from delays incurred in concluding the interrepublican agreement. Under the agreement, the republics have to give their assent to decisions to import foodstuffs.

The agreement was signed by 11 former Soviet republics. Moldavia and the three Baltic republics refused to sign.

Problem With High Degree of Interdependence

OW3110130991 Moscow INTERFAX in English
1015 GMT 31 Oct 91

[From the "Soviet Business Report—Economic Barometer" feature: "The Economic Expanse in Common to All, But the Partners Are Far From Equal"; transmitted via KYODO]

[Text] The disintegration of the Soviet Union, accelerated by the recent August events established as problem number one the maintaining of the integrity of the country's former economic system. The problem, say experts at "SovEcon," is the high degree of interdependence between the country's various regions, very close ties that have existed for decades. In recent years, the former Union republics have obtained from 33% to 43% of their economic requirements from trade with other republics. In Estonia, that figure has reached 50%.

Russia, Kazakhstan and the Ukraine—In a More Profitable Situation

Only the very largest Soviet republics, Russia, Kazakhstan, and the Ukraine, rely relatively little on inter-republic trade. The average figure among the fifteen republics is 20.3%. (In the European Community, this index of mutual dependence between the twelve country members is 14.5%). The relatively small figure for the Soviet Union is due to Russia's economic preponderance.

Soviet republics' individual share in inter-republic trade (from 1989 data)

	imports	exports	average
Russia	12.2%	13.0%	12.6%
Ukraine	26.2	26.6	26.4
Kazakhstan	36.6	20.6	28.6
Azerbaijan	23.6	41.6	32.6
Uzbekistan	40.5	28.4	34.5
Georgia	34.4	40.3	37.4
Latvia	42.3	47.2	37.7
Kyrgyzstan	42.8	32.5	37.7
Turkmenia	40.2	35.5	37.9
Armenia	39.7	37.2	38.5
Tajikistan	48.9	32.8	40.9
Belorussia	37.5	46.3	41.9
Moldova	43.3	43.3	43.3
Lithuania	43.2	43.6	43.4
Estonia	52.6	47.3	50.0

Centralized distribution of industrial capacity and the establishing from above for inter-regional links made the economic expanse of the Soviet Union, to a large extent, into a cohesive whole. This unity, in the opinion of experts, maintained itself largely by symbolic prices (lowered prices for fuel and raw materials, inflated prices for the majority of consumer goods) and subsidies from a single (Union) budget, all of which smoothed out any disbalances [word as received] which might arise. The expenses incurred from subsidies for the agricultural sector alone amounted to 112 billion rubles in 1990 (11.3% of the country's gross national product).

As the republics move toward management of their own economies and conducting trade at market prices, the situation rapidly changes. The supply of natural resources, the level of their industrial development, and the competitiveness of their products on the world market will all determine how the republics fare on the market.

In the Central Asian, Kazakhstan and Caucasian Economies, the Agricultural and Raw Material Sectors are Predominant

In spite of the fast pace of economic growth over the past five or six decades, Central Asia and parts of Kazakhstan and the Caucasian republics remain in the early stages of industrialization, and still rely principally on agriculture and the production of raw materials. For example, agriculture in the Central Asian republics employs from 33% to 36% of all workers (in Russia, that figure is 13%; in the Baltics, from 17.5% to 19.6%). The industry in the less developed republics consists primarily of the geological industries (oil drilling, coal and precious metal mining), as well as the primary processing of industrial and agricultural goods. In Central Asia, only about 10% of industrial, service, professional positions are filled by members of the indigenous nationality.

These republics, including Moldova, whose agrarian and industrial sectors are characterized by heavy, manual, unskilled labor, are in the engaged in extensive, and not intensive, development. In the last five years, increased effectiveness of existing means of productivity have produced only 79% of the growth in national product in Armenia, 71% in Kyrgyzstan, 67% in Turkmenia, 58% in Kazakhstan, and 36% in Tajikistan. At the same time, this figure was 100% in Russia, the Ukraine, Belorussia and the Baltics.

The Gap in the Standard of Living Between the Republics has Increased to 280%

In the last fifteen years, the comparable levels in the standard of living and social-cultural development between the republics, caused in the first place by the differences in economic spheres, have not decreased, but increased (from 210% to 280%).

Comparable Standards of Living (Estonia, with the highest standard, is given the figure 100%)

	1975	1980	1985	1990
Estonia	100	100	100	100
Latvia	96	94	95	95
Lithuania	89	84	84	88
Russia	85	84	85	81
Belorussia	75	75	80	76
Ukraine	72	70	75	66
Kazakhstan	72	71	71	64
Georgia	65	67	77	64

Armenia	59	61	64	61
Moldova	62	62	64	57
Turkmenia	60	56	56	54
Kyrgyzstan	57	53	55	43
Uzbekistan	52	51	50	40
Azerbaijan	49	49	53	40
Tajikistan	48	44	43	36

The growing differences, experts say, represent differences in the quality and strength of industry. As the country moves toward market conditions, this tendency could intensify. At any rate, it will surely complicate the integration of the former Soviet Union on a new basis.

Military

Secret Document on Military, Nuclear Control

924P0003A Moscow NEZAVISIMAYA GAZETA
in Russian 3 Oct 91 pp 1-2

[Article by Sergey Parkhomenko with an explanation by Vladimir Rubanov: "Control of the 'Nuclear Button' Is Slipping Away From the Union"]

[Text] This is said in a secret document "accidentally" distributed at an open meeting of deputies in the Kremlin. Accidentally?

"The country is rapidly going the way of Yugoslavia, repeating almost step for step the events that occurred there six months to a year ago..." This is a quotation not from a routine newspaper editorial and not from the words of a speaker at a mass meeting in Manezh Square. This quotation has been drawn from an official document, whose authorship originates in an authoritative and highly professional service of the USSR Committee for State Security. This quotation is a fragment of a political bombshell of colossal power which exploded last Tuesday [24 September] in the Kremlin.

It is very hard correlating what happened with the very modest proportions of the event whose organizers involuntarily, as they would have people believe, set in motion the infernal machine. Approximately 100 deputies of the federal and republic level representing Russia, the Ukraine, Belorussia, Kazakhstan, Kirghizia, Moldova, Turkmenia, and Tajikistan were gathered in the meeting hall of the USSR Supreme Soviet. The task facing the meeting of deputies was quite local: formulating in preliminary, purely advisory form the procedure of preparation for the opening of the session of the Union parliament formed in accordance with the new—"transitional"—plan. The brief discussion culminated in the adoption of a purely secondary document: a telegram to the chairmen of the republic supreme soviets proposing that they send to Moscow within two days' time their empowered representatives endowed with official mandates. They would draw up the provisional standing orders and the agenda and, incidentally, conclusively

agree the date of the opening of the session if the days remaining until 8 October proved insufficient for them.

As far as the discussion was concerned, interest—highly specific, for that matter—was evoked only by a series of speeches of Union deputies immediately and pitilessly named in the lobbies "debris of the shipwreck." Approximately a dozen recent members of the USSR Supreme Soviet (and in a number of cases, members of its Presidium also) subjected to criticism which was equally exasperated and unintelligible the procedure of the formation of the Russian deputation in the "renewed" parliament. Yuriy Andreyev, a representative of the commission which had drawn up the preliminary lists of this deputation, assessed what was happening with the utmost candor: "The doubts as to the legitimacy of the new Supreme Soviet are more often than not concealing unhappiness with one's own nonelection...."

For this debate, which was of an entirely anecdotal—and certainly belated—nature, was developing at a moment when the deputies already had at hand the package of papers which had been distributed by an action committee and which was destined for a long time to disturb the small group of journalists present. Journalists precisely, inasmuch as the members of parliament themselves could not, it seemed, manage to find the time to look into the stack of papers which they had received prior to the start of the meeting.

And to no purpose. The headings of documents required if only a cursory glance for one to feel, if not excitement, curiosity, at a minimum: "Army-91: Principles of Military Reform in the USSR," "Military Budget Situation," "Reform of the Country's Security System," "The Problem of the Organization of Republic Armed Formations as a Result of the Political Disintegration of the USSR," "Creation of a Military-Political Alliance of States Which Were Former Members of the Soviet Union (Per the NATO Type)," "States' Succession and Urgently Needed International Actions," "The Treaty on Conventional Armed Forces in Europe in the Light of the Political Disintegration of the USSR," "Certain Aspects of the Military Activity of the Republics Under International Law," "Collective Security Treaty"....

It was obvious at first glance that these drafts, studies and pieces of information belonged to working documents of the Commission for Reform of the Security System headed by Academician Yuriy Ryzhov. We would note right away that the mere fact of their distribution at a purely "procedural" meeting is hard to explain politically. This was clearly not the time or place for them.

It was most likely simply a question of a number of active participants on the action committee—Vladimir Stadnik, who chaired the meeting of deputies, included—working with ardent enthusiasm on the "Ryzhov Commission" and being impatient, evidently, to demonstrate to their colleagues the results of their impetuous and fruitful activity. And, in addition, when

so many tempting vacancies have opened up in the leadership of the committees and commissions of the Supreme Soviet, the gravitation toward such self-publicity is, generally, understandable...

But no such "quotidien considerations" can explain the appearance of the document which crowned the sensational package—the document entitled "Threats to Security and the Need for the Republics' Joint Actions." The information, signed "USSR KGB," makes an analysis of the political situation in the country which has taken shape since the smashing of the August rebellion. Adducing the parallel with Yugoslavia which is known to the readers, the authors of the information enumerate "factors of the increased threats to the security" of the USSR.

They distinguish in the "domestic sphere" of political life the following factors, in particular:

"...1. Despite the ongoing personnel shuffles in the top echelons, the highest positions in the localities are, as before, occupied by many functionaries who supported the Emergency Committee.... "2. Under the conditions of the concentration of the Armed Forces under the control of the Ministry of Defense the political leadership is not as yet obtaining objective and full information on the situation in the Army.... A no less dangerous situation is taking shape in the armed forces today than before the coup.

"There are indications of a lessening of control over the USSR's nuclear complex also. Many military facilities, strategic included, are not fully manned.

"3. There is disturbing evidence of the formation of a social environment for the appearance and rapid development of movements and political forces of a populist and even fascist persuasion.... At the same time, on the other hand, the process of the formation of political parties and the consolidation of movements of a liberal and reformist orientation is moving extremely slowly.

"4. The weakening of the mechanisms of power and the loss of the authority of the law is leading to an escalation of crime and terrorism, that of a transnational nature included. The country is being pulled into a network of international organized crime and drug trafficking....

"5. The process of disintegration of the structures of control of the economy, the ongoing slump in production...are being made worse by the crisis state of the credit and finance system, the depletion of gold and currency reserves, the upsetting of the balance of payments, given the large external debt of the former Union....

"The disintegration of the central structures of administration could lead to a weakening of the control of security in the nuclear power sphere.

"6. An explosive situation persists also in military industry, part of whose leadership was a principal driving force of the coup...."

The section ends with the strictly worded conclusion:

"The ongoing crisis in the domestic sphere could lead to anarchy and either to the return to the political arena of the forces which backed the coup or to the establishment in the republics of nationalist regimes of a populist, semi-fascist type."

The document goes on to talk about the "foreign policy aspect of the disintegration of the USSR":

"...1. The states which are taking shape could find themselves in international political isolation, if not hostile encirclement. The entire system of international security would be detonated....

"2. The question of strategic and other nuclear weapons is seen as one of the most important since the prospect of a loss of central control over these weapons is emerging as entirely realistic.

"3. Considerable problems will arise also in the sphere of conventional arms...if the newly formed states located in the European part of the USSR conceive a desire to have their own national guards or other types of armed formations, the limitations which have been established could thereby come to be exceeded....

"6. An exacerbation of the situation with the West could lead not only to military-political but also foreign policy isolation. This process is already developing today in practice, but for economic reasons as yet.... The disintegration of the economic space and political instability will palpably weaken in the West the positions of those who intended investing capital in our economy...."

We ascertained from the members of the "Ryzhov Commission" present at the meeting that the signature "USSR KGB" on the document was, at least, inaccurate. Neither the USSR KGB Board nor its chairman, Vadim Bakatin, had had anything to do with the compilation of the information and, possibly, were not even familiar with its content. The true authorship belongs to a group of experts from the USSR Academy of Sciences United States and Canada Institute, the USSR Academy of Sciences Europe Institute and the USSR KGB Analysis Directorate headed by Colonel Vladimir Rubanov which had worked together with the Commission for Reform of the Security System.

The information had been prepared approximately a week ago and had been sent to the "Ryzhov Commission" in strict confidence. The duplication of the text in a quantity of almost 200 copies and the distribution of an essentially secret document in a general package at an open parliamentary meeting are considered by these experts to be a stupid mistake and accident. Even "Stadnik's joke," perhaps.

Yet it is no joking matter. One does not need to have a lurid imagination to see to what extent the appearance of such an analysis could alarm the USSR's Western partners which are today with difficulty feeling their way toward new principles of relations with the state formations which are taking shape within the boundaries of the

Union. One could be almost certain that the reaction to virtually official acknowledgments that Moscow had lost control over the military-industrial complex, the Command Staff of the Armed Forces and—no more, no less—over the Soviet "nuclear button" would be extremely painful and fraught with general panic in both political and business circles of the developed countries. The imaginary authorship of the USSR KGB (entirely?) could make a strong impression here: It imparts to the well-known "alarmist" assessments an entirely different status...

The situation is further complicated by the fact that the document darted out of the safes just a few days after the U.S. President put forward unprecedented initiatives in the sphere of disarmament signifying—according to competent assessments—nothing other than a renunciation of the doctrine of nuclear deterrence. Yet the Kremlin's official response to George Bush's statement remains extremely vapid: the top military circles are, as usual, remaining silent, and Mikhail Gorbachev's intentionally laconic observations on this score force us to suspect the Soviet leadership of confusion.

Let us be candid: We cannot, in any event, as of the present moment be certain that the business concerning the "Threats to Security..." information is not a provocation. A truly skillful and Jesuitically cruel provocation, what is more.

If, however, it is really a question of the airiness, negligence or maladroitness of enthusiastic deputies, we have to affirm that commonplace dilettantes have once again come to be in dangerous proximity to power in the country.

Vladimir Rubanov Explanation a Day Later

Vladimir Rubanov, chief of the USSR KGB Analysis Directorate, commented yesterday at the request of the NEZAVISIMAYA GAZETA correspondent on the situation which had taken shape following the meeting in the Kremlin.

Vladimir Rubanov declared that the signature "USSR KGB" on the analysis "Threats to Security and the Need for the Republics' Joint Actions" was under no circumstances legitimate. The document was prepared by a group of experts from academy institutes brought in by the Committee for State Security and Yuriy Ryzhov's parliamentary commission. Only the final section of the text, which sets forth the general concept of an inter-republic collective security treaty, may be attributed to direct authorship of the Analysis Directorate. The formulation and signing of such a treaty, in Rubanov's opinion, could be republics' necessary and natural reaction in response to the growth of political tension in the country. "Our position," he continued, "is that of specialists who would like primarily to warn the leaders of the republics against unprofessional decisions and point

out to them the existing danger of involuntarily disrupting the terms of international law and finding themselves in isolation, to which lack of due consideration of the evolved legal circumstances could lead."

The high-ranking leader of the USSR KGB confirmed also that the document had been made public solely because of a "tragic and annoying" misunderstanding which had occurred in the USSR Supreme Soviet administrative system, but "this misunderstanding itself could now be used by certain forces to strengthen their political positions which have been shaken of late and to undermine the authority of professional analysts."

The confidential nature of the report was connected primarily with the fact that "this text was essentially a shaping block"—an intermediate, incomplete and unedited version "used to produce a concept of a collective security treaty." And this alone explains the presence therein of a number of "unduly emotional" passages and interpretations akin to the parallel with the Yugoslavia situation. "You cannot," Rubanov concluded his statement, "pull a half-done loaf from the oven and take umbrage at the fact that it is insufficiently baked. And this document was not even a loaf, merely dough...."

Shaposhnikov Views Ukraine's Military Ambitions

LD3110193291 Moscow TASS International Service
in Russian 1226 GMT 31 Oct 91

[Text] Moscow, 31 Oct (TASS)—The law says that the country's president and State Council govern all the organizations dealing with the state's defense, Yevgeniy Shaposhnikov, USSR Minister of Defense, said in an interview carried in today's edition of MOSKOVSKIYE NOVOSTI. He commented on the Ukrainian parliament's decision to take the armed forces on the republic's territory under its jurisdiction.

One should not threaten one another or sort out who is stronger. One should hold serious negotiations. The Ukraine should remember that its plenipotentiary representatives at the interrepublican meeting at the Ministry of Defense agreed to solve all military issues jointly, the minister said.

There is no need to withdraw the Army from the Ukraine. One should immediately elaborate a concept of collective defense, the marshal believes.

The Ukraine does not strive to have the nuclear button. The republic has a right to know where the weapons are situated, but it is the center, a single command that must control them, Yevgeniy Shaposhnikov stressed. The army of a sovereign Ukraine will number from 200,000 to 450,000 people, Konstantin Morozov, Ukrainian minister of defense, told the weekly. The republican ministry is to develop a legal basis for a civilized "divorce" from the USSR Ministry of Defense.

Commander Protests Ukrainian Law on Guard

OW0111015291 Moscow INTERFAX in English
1430 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] The commander of the USSR interior forces Lieutenant-General V. Savvin has sent a letter to the Ukrainian Supreme Soviet protesting against the recently passed law on forming a republican guard as an unconstitutional act.

By unsubstantiated reports, the USSR Interior Ministry is to end financing the interior troops deployed in the Ukraine beginning with next month.

Costs of Aircraft Carrier Program Questioned

PM0111105091 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 3

[G. Arbatov letter from "Readers' Opinions" column: "An Aircraft Carrier for Five Kopeks?"]

[Text] "A MiG on Deck"—that is the title of a report from a heavy aircraft-carrying cruiser published in IZVESTIYA 25 October this year. Let me explain: "Heavy aircraft-carrying cruiser" is the "underground" name given to aircraft carriers like the Admiral Flota Sovetskogo Soyuza Kuznetsov (later the Brezhnev, later still the Tbilisi) to avoid possible violation of the Montreux convention, which bans aircraft carriers from passing through the Black Sea straits. Let me remind you that Admiral Chernavin, commander in chief of the Navy, himself proudly called this ship the first Soviet aircraft carrier, but PRAVDA later shamefacedly corrected the naval commander in chief, renaming the ship a heavy aircraft-carrying cruiser.

But the most disturbing point is this—the attempts by those who briefed IZVESTIYA's correspondent to mislead the journalist about the cost of this program. It seems the aircraft carrier costs only a few million rubles (five kopeks per taxpayer). That figure is simply risible. A U.S. aircraft carrier costs \$3.5 billion. With the planes and escort ships, 14 billion. Maybe the Americans are spendthrifts, while we, seeking to save the people's kopeks, build our aircraft carriers more cheaply. It is hard to argue with that, because the price of an aircraft carrier, like everything else, is set arbitrarily. But not at five kopeks "per taxpayer; not at a few million rubles. Even according to our own official figures, which by no means overstate our military spending, in 1990 alone we spent 3.025 billion rubles on buying ships for the Navy. With expenditure like that, is it likely that only "a few million rubles" goes on the construction of the biggest ships in the history of our Navy?

Of course, we need a Navy, we need reliable defenses. But we are supposed to have agreed that defense efforts should be brought into line with the new international situation and the country's real economic potential. Especially when the burden falls on Soviet people,

including naval seamen, many of whom (with their families) are deprived of the elementary conditions of human life, including housing. Only in the light of all these circumstances can we define realistic priorities in our budget expenditure and our defense construction. And it is no use telling stories about aircraft carriers costing five kopeks.

Investment Firm To Sell Stock for Currency

*OW3110115591 Moscow INTERFAX in English
1015 GMT 31 Oct 91*

[From "Soviet Business Report"; transmitted via KYODO]

[Text] A military-industrial investment firm (MIIC), presenting itself as a stock company open to the public

(its declared base fund is 1 billion rubles), announced that it intended to sell 10% of its stock for hard currency. Foreigners would be eligible to buy. However, it stated that it would not sell to any single legal or private individual more than 1% of its stock.

A representative of MIIC said that the company, whose twenty founders include the Military-Industrial and Russian stock markets and various defense enterprises, intends in the near future to direct its resources into the "high profit markets of the military-industrial complex."

After the initial distribution of 50% of the stock, totalling 500 million rubles (two-thirds of which are already sold), the remainder might be offered to interested parties by subscription.

Estonia

Ruutel To Meet Yeltsin in Moscow 1 Nov

OW3110205591 Moscow BALTFAX in English
1930 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Chairman of the Estonian Parliament Arnold Ruutel is to arrive in Moscow November 1st for a meeting with Russian President Boris Yeltsin scheduled for Friday [1 November] evening.

A BF's [BALTFAX] correspondent reports from Tallinn that on October 31st Boris Yeltsin and Arnold Ruutel had a telephone conversation during which they agreed to meet.

At a meeting with deputies of the parliamentary group "Industrial Union" October 31st Boris Yeltsin stated that talks with Estonia will focus on the transfer of bilateral relations to the official interstate level. In the words of Mr. Yeltsin, all previous agreements "fall away". "Russia is determined to introduce world prices, to establish borders and customs posts", he stressed.

Commander Plays Down Missile Disappearance

PM3110162791 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 4

[L. Levitskiy report: "Where Have the Soviet Stingers Gone?"]

[Text] The Tallinn artillery base has discovered the loss of more than 50 missiles and eight launchers.

To be precise, 44 surface-to-air missile launchers and eight Strela-2M and Strela-3 missiles have disappeared. They are called the Soviet Stingers. They can be used straight from the shoulder to down a helicopter or aircraft.

Military men discovered the loss of the missiles and launchers themselves. An investigation still has to establish how they disappeared. But it is quite clear, VECHERNIY TALLINN writes, that the prime cause is carelessness on the part of the officials responsible for their safekeeping. Total confusion in storing, guarding, adopting, and issuing missiles and total lack of control over this process have been revealed in the past. Quite usual phenomena in our society. The Army is just a small part of it, a mirror image.

The Tallinn evening paper suggests looking for the missiles and launchers on Tallinn's black market, where the price of weapons is rising day by day. Perhaps they are already in our country's "hot spots."

Vice Admiral Yu. Belov, head of the Tallinn Garrison, told me: "I don't think this is a question of theft. Most likely the weapons have gone to a unit without the papers being drawn up. We will find out who received them."

Official Reelected Chairman of Narva Council

OW0111032591 Moscow BALTFAX in English
1700 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] On October 31st Vladimir Chuikin was re-elected as chairman of the Narva City Council. Vladimir Kuznetsov an Estonian MP [member of parliament], was elected his deputy.

The Estonian Supreme Council dissolved the city councils of Narva, Kohtla-Jarve and Sillamae in September accusing them of disobedience to Estonian laws. New elections to the city councils were held on October 20.

As BF [BALTFAX] reported earlier, a session of the Sillamae City council had re-elected its present chairman Aleksandr Maksimenko.

Republic Fuel Prices Rise 1 Nov

LD3010192791 Moscow TASS in English
1339 GMT 30 Oct 91

[By TASS correspondent Albert Maloveryan]

[Text] Tallinn October 30 TASS—"Estonia is growing to be one of the most expensive countries of Europe," economics professor from Tartu V. Raudsepp believes.

He notes in his article, published today by the newspaper "PJAHVALEHT," that it is hopeless to resist this tendency by forcible methods. It remains to see whether the republic will be able to reach the standard of world prices within the next four or five years, or it will remain at the level of the market economy of the 1950's.

Estonian papers reported today on the raising of prices on fuel starting from November 1st.

A litre ai-93 grade petrol will now be sold for slightly more than one rouble, a-76 grade petrol—for 85 copecks, and diesel fuel—for 45-50 copecks. A tonne of fuel oil will cost 162 roubles.

Licenses To Export Goods for Currency Revoked

OW3010135691 Moscow BALTFAX in English
1220 GMT 30 Oct 91

[Transmitted via KYODO]

[Text] The Estonian Government has passed a resolution revoking licenses to export goods from the republic for hard currency, except timber, saw-timber, cement, furs, most agricultural products and foodstuffs, tobacco and alcoholic beverages.

Tax on export-import operations has also been rescinded.

Enterprises' Compulsory Sale of Currency Ends

OW3110181791 Moscow BALTFAX in English
1700 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Estonian Finance Minister Rein Miller has told BF [BALTFAX] that the Estonian Government plans to cancel the compulsory selling of hard currency by enterprises to the state. Currently, Estonian enterprises pay rubles tax on hard currency profits according to the exchange rate at the Bank of Estonia—\$1=45 rubles. They are also obliged to sell 25% of their hard currency profit to the state at a rate of \$1=1.8 rubles.

On January 1 a new tax legislation will come into force ruling that all enterprises should pay tax on hard currency profits in hard currency only.

Issue of Airing Central TV Programs Unresolved

OW0111082291 Moscow BALTFAX in English
1930 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] In an interview with BF [BALTFAX] the General Director of Estonian TV Mart Siimann suggested that the question of broadcasting Central TV programs to Estonia will be resolved within two weeks.

Mr. Siimann says until recently it was unclear whether Central TV would broadcast programs to Estonia at all, but "finally, the State Council found means to finance them". He also pointed out that Estonia is not interested in a wide range of TV programs from other republics.

He added that Russia and Estonia have reached a preliminary agreement whereby Estonia will not pay for programs of the Russian TV.

South African Foreign Minister To Arrive 4 Nov

OW0111092091 Moscow BALTFAX in English
1930 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] South African Foreign Minister Roelof Frederik Botha arrives in Tallinn November 4th.

According to the Estonian Foreign Ministry Press service, he is scheduled to meet with Chairman of the Estonian Supreme Council Arnold Ruutel, Foreign Minister Lennart Meri and Chairman of the parliamentary commission on foreign affairs Indrek Toome.

The Estonian side is willing to discuss economic cooperation and is prepared to establish diplomatic ties with South Africa.

Latvia**President Gorbunovs Views New Citizenship Laws**

LD3010153791 London ITV Television Network
in English 1900 GMT 29 Oct 91

[Interview with Latvian President Anatolijs Gorbunovs by correspondent Gabi Rado in Riga on 29 October; from the "Channel 4 News" program—recorded; Gorbunovs speaks in Latvian with English subtitles]

[Text] [Rado] The Latvian president, Anatolijs Gorbunovs, is becoming aware of the harm that the proposals may do to his new republic's image abroad. But he says the new citizen laws do serve a purpose.

[Gorbunovs] Our main problem now—and it's a real problem—is that the so-called Russian speaking population find it difficult to integrate in the Latvian environment. I think the law of citizenship should stimulate their assimilation into the Latvian environment. There's also the fact that ethnic Latvians are becoming a minority in their own country.

[Rado] Which part of these draft laws would you like to see slightly changed.

[Gorbunovs] If I'd like anything changed in the law, it's the section referring to the residential requirement. In my opinion, it should only be five or seven years.

Republic Citizenship Bill Criticized

OW3110142191 Moscow BALTFAX in English
1155 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] On Wednesday [30 October] the leadership of the Movement for Latvian National Independence submitted to parliament a document pointing to the legal incorrectness of the citizenship bill which is now being debated.

The document claims that in line with the 1922 Constitution citizenship can be granted only by the cabinet appointed by parliament. Parliament can be elected only by persons who used to be citizens of Latvia before July 17, 1940 and their descendants. In the first parliamentary elections the right to vote should be given to the 15,000 Latvians living abroad irrespective of their current citizenship.

The document says that the parliament should pass a decision regulating the status of Soviet citizens in Latvia: their property rights and the right to own land without selling it.

Under the bill citizenship shall be granted to migrants who have lived in the republic for at least 16 years. According to the movement, service in the Latvian army or police should offer privileges in citizenship. Besides,

the 16 years mentioned in the bill are legally groundless: the 1919 citizenship law set the domicile qualification at 5 years.

Poll Declares Gorbunovs Most Popular Politician

OW0111024991 Moscow BALTFAX in English
1430 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] A sociological poll by the Latvian Institute for Market Studies held in the middle of October found that the leader of the republican parliament Anatoliy Gorbunovs is the republic's most popular politician. This is the opinion of 88.7% of those polled. Gorbunovs was number one in previous polls, too. The latest survey indicates his rating has even improved.

The Latvian Prime Minister Ivars Godmanis has retained second place and a high rating.

The leader of the parliamentary opposition Sergey Dimanis takes last, tenth place.

Finance Ministry Predicts Balanced Budget

OW3110021791 Moscow BALTFAX in English
1730 GMT 30 Oct 91

[Transmitted via KYODO]

[Text] The analysis of Latvian budget's revenues and expenditures makes it possible to predict that this year's budget will be in balance. This was announced by the head of the budget department of Latvia's Finance Ministry, Mr. Kaminskis, at a meeting of the ministry's top executives.

By September, 87.8% of planned budget revenues for 1991 had come in, whereas disbursements had amounted to 82.1% of those planned.

This phenomenon is primarily due to increased taxpayer incomes and under-utilisation of budget resources.

Delegate Holds 'Unofficial' Talk With Yakovlev

PM3010133791 Moscow IZVESTIYA in Russian
28 Oct 91 Union Edition p 1

[Unattributed, untitled report in IZVESTIYA, TASS, INTERFAX agency column]

[Text] Janis Dinevic, leader of the Latvian delegation involved in talks with the USSR (he heads the People's Front faction in parliament), has held an unofficial meeting in Moscow with Aleksandr Yakovlev, leader of the Soviet delegation.

The 90-minute conversation touched on the problems of withdrawing the Soviet Army from Latvia, the provisions of the Latvian law on sovereignty, the observance

of national minorities' rights in Latvia, and other questions. The possibility was discussed of starting up interstate talks between Latvia and the USSR in the very near future. The first round, reports suggest, will take place in Riga.

European Council Probes Legislation

OW3010011091 Moscow BALTFAX in English
1630 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] A delegation from the European Council's commission on legislation has begun a visit to Latvia's capital Riga. It is led by the legislation commission director Erik Harremoe, of Denmark, and chief legislation administrator Roberto Lamponi, of Italy.

The delegation will inquire into whether Latvian citizenship laws, including those concerning ethnic minorities, agree with international law.

Latvia's representative in the European Council, Rolands Belezurs has told "BALTFAX" that the delegation's findings will be the main yardstick in deciding whether Latvia should become a member of the European Council.

The delegation's visit will last till November 1. Its members will meet with the Latvian parliament leader Anatoliy Gorbunovs and his first deputy Dainis Ivans, as well as the leader of the opposition parliamentary party "Rvnoprdivye" (For Equal Rights), Sergey Dimanis.

Republic To Join IMF, World Bank

PM0111142991 Moscow IZVESTIYA in Russian
28 Oct 91 Union Edition p 2

["Direct Line" report by Irina Litvinova: "Latvia Will Join IMF"]

[Text] Riga—Latvia, like the other Baltic countries, will be admitted to the International Monetary Fund and become a member of the World Bank.

Experts from these organizations will visit in early November. They will "photograph" the situation in the Latvian economy in order to then give recommendations on the use of credits and financial aid. It has already been determined that investments will be used to promote small- and medium-sized business and private farming. In no event will ministries, as before, distribute the monetary resources they receive. Entrepreneurs will receive them direct.

Soviet Army Inflicts Environmental Losses

OW0111132091 Moscow BALTFAX in English
1130 GMT 1 Nov 91

[Transmitted via KYODO]

[Text] Latvia's environmental protection committee has determined the dimensions of losses inflicted on the local environment by the Soviet armed forces.

However the data concerning these losses have not been published, since they'll have to be discussed at intergovernmental talks between Latvia and the USSR.

The losses fall into 8 categories: those Latvia sustained as a result of its inability to use military facilities located on its soil in its own interests; those inflicted as a result of exploiting its land and those resulting from the impact of such factors, as radiation, noise, and the like.

At the moment Soviet army units occupy 100060.9 hectares of Latvia's territory, including 80584.1 hectares without official permission. 88659.4 hectares are occupied by units belonging to the Baltic Military District. 10384.9 hectares by the Baltic Fleet, 508 by the KGB, and 508.2 by the Interior Ministry.

Official Accused of Unfair Business Practices

OW0111091491 Moscow BALTFAX in English
1930 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] A statement issued by the leadership of the Latvian Democratic Party of Labor (LDPL) denies any involvement in commercial activities of its Chairman Ivars Kezbers and expresses regret that he had not informed it about his occupation.

The LDPL leadership believes conflicts related to entrepreneurship should be considered in court.

The statement emerged after Swedish businessmen from the joint venture "Nell" accused Kezbers of "unfair business practices".

In his turn, Kezbers said that his commercial activities are not linked with his membership in the party. Furthermore, at the latest plenum of the LDPL CC [Central Committee] he announced his resignation as chairman of the party in order to dedicate himself to business.

Lithuania

Foreign Ministry Demands Soviet Troop Withdrawal

LD3110211491 Vilnius Radio Vilnius Network
in Lithuanian 2000 GMT 31 Oct 91

[Text] On 31 October the Ministry of Foreign Affairs of the Republic of Lithuania sent a note to the Soviet Union's Ministry of Foreign Affairs. The note states that the most important task in the process of regulating relations between the Republic of Lithuania and the Soviet Union is the immediate withdrawal of the Soviet Army from the territory of the Republic of Lithuania. This was unequivocally expressed in the 27 August

resolution of the Supreme Council of the Republic of Lithuania as well as in the 25 October statement of the Baltic Council.

The note states that the residents of Lithuania have demanded more than once that the occupation of the Baltic states be stopped and the Soviet forces withdraw. As long ago as October 1989, one and a half million signatures were collected in Lithuania demanding the Soviet withdrawal and were sent to the Soviet Government and the UN secretary general.

The stay of the Soviet Army in Lithuania has no juridical basis and is absolutely intolerable in accordance with the laws of the Republic of Lithuania. The Government of the Republic of Lithuania, expressing the will of its citizens, demands that the Army be withdrawn without delay. It expects that the Army withdrawal will help to establish good-neighborly relations between the two states.

Hard Currency To Be Paid for Russian Goods

LD0111110291 Moscow TASS in English 1038 GMT
1 Nov 91

[By TASS correspondent Serafim Bykhun]

[Text] Vilnius November 1 TASS—Lithuanian Deputy Minister of the Economy Vitas Navickas said from 1992 Lithuania will have to buy oil, gas and coal in Russia at market prices up to one hundred times higher than before, the BALTIC NEWS SERVICE reports.

Navickas clarified that if earlier Lithuania bought oil in Russia at 1.7 dollars per tonne (the ruble and the dollar are correlated according to the Lithuanian Bank rate), it will now have to pay 130 dollars for the same amount.

In turn, Navickas said Lithuania offered Russia a list of 26 goods for which it now demands payment in hard currency. Products include machinery and equipment, metallurgical industry and electrical engineering goods. Estimates put Russia's supplies to Lithuania at 3.6 billion dollars a year. Lithuania hopes to supply Russia with goods of equal value, which are known to be uncompetitive on the world market.

Residents Have Two Days To Decide Citizenship

LD0111092491 Moscow TASS in English 2159 GMT
31 Oct 91

[By TASS correspondent Kazis Uscila]

[Text] Vilnius October 31 TASS—Residents of Lithuania have two more days to decide whether they will apply for Lithuanian citizenship or remain citizens of the Soviet Union.

Under the resolution adopted by the republican parliament earlier this autumn, dual citizenship is prohibited in the republic and will be granted only in exclusive cases.

Mariya Savchenko, deputy head of the republican Passport Registration Office, told TASS some 61 per cent of republic's residents applied for Lithuanian citizenship a month before the resolution came into force.

In Shalchininsk district, the percentage was as low as two per cent. In Kaishyadoris and Kedainyai districts, inhabited mostly by ethnic Lithuanians, barely 50 per cent of their residents decided to go through the formalities.

KGB Group's 13-14 Jan Activities Viewed

*OW0111091191 Moscow BALTFAX in English
1930 GMT 31 Oct 91*

[Transmitted via KYODO]

[Text] The Lithuanian newspaper "CIMTASIS KRAS-TAS" has published information about the activities of the USSR KGB's "Alpha" special group during the tragic events in Vilnius on the night of 13th-14th January, when the assault by the military on the TV tower resulted in deaths among the civilian population. In response to a "BALTFAX" [query] regarding the sources of this material, the paper's journalists replied that it was a trade secret.

The document states that the leaders of "Alpha" group arrived in Vilnius on 7th January to carry out reconnaissance and plan operations with the participation of "A" group agents. The remainder of the group were put on alert on 11th January and two planes brought them to Vilnius the same day. The report says that in all 65 people were sent.

"The plan of action" was drawn up by the Lithuanian Interior Ministry (MVD) and the Baltic Military District, claims the document. The army and the chekists were charged with the task of "putting a stop to the transmission of provocative and inflammatory broadcasts" and were told to seize three objectives: The Television and Radio Broadcasting Committee; the television tower; and the Radio Broadcasting Centre.

"The authorities" decided to instigate operations on the night of 12th-13th January, says the document.

The plan was for the "tanks to clear the way for columns of armoured paratroop carriers which in turn would disperse the crowds around the objectives". Those participating in the operation were ordered to "fire blank cartridges in order to exert psychological pressure on the crowds" and the paratroopers and interior ministry forces, having secured a corridor to the objectives for the "Alpha" group were to clear the area, in which, according to the report, 5-6,000 people had gathered. "Alpha" itself was to carry out operations inside the buildings and execute the order to put a stop to the transmissions.

The report continues that the corridor was not in fact cleared and the "Alpha" forces had to use tear gas grenades, fire blanks and resort to hand to hand fighting in order to reach the TV and Radio Committee. The same thing happened at the TV Tower and the Radio Broadcasting Centre, continues the report.

During the course of operations "Alpha" used 2 grenades, 60 blank cartridges and 10 live cartridges. One of its troops was killed and several received light injuries.

The "Alpha" group returned to Moscow on 14th January.

Fifth Congress of People's Deputies

Congress Proceedings for 30 Oct Detailed

LD0111132391

[Editorial Report] Moscow Russian Television Network in Russian at 2020 GMT on 31 October reported its regularly scheduled "Congress of Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies" program, including recorded highlights of the RSFSR Congress of People's Deputies session in Moscow on 30 October. The program opened with RSFSR Supreme Soviet Chairman Ruslan Khasbulatov in the chair, discussing procedures and suggested a debate of amendments. Several deputies commented and then deputies voted to debate five amendments.

At 2025 GMT, debate began on the sociopolitical situation with Deputy Sturov speaking on prices of farm produce, education, privatization, dangers of monopolies, and dictatorial organizations. He announced that legal matters are connected with privatization, and a unified security doctrine is needed. There should be no specifically defense enterprises, Sturov added, saying personal power must be curbed.

At 2031 GMT, Deputy Annichkin said the present situation is the result of trial and error, adding Yeltsin's program gives reason for concern. Voters must not be forgotten, and economic mistakes must be corrected, he stated. Annichkin said that things are chaotic and out of control, but structures which still work should not be smashed in a hurry.

At 2035 GMT, another deputy said Yeltsin's program should, on the whole, be supported. He drew attention to the needs of Northerners, especially of the small ethnic groups, among whom poverty is rife.

At 2042 GMT, Deputy Sorokina praised Yeltsin's message to the people. Effective executive power and professionalism are needed, she said. Sorokina added that Khasbulatov is isolated from the other deputies and accused him of acting without sufficient consideration.

At 2048 GMT, Deputy Lazureva viewed women and children's concerns, saying children have been forgotten as always.

At 2055 GMT, another deputy said democracy is in danger and human rights must have priority. CPSU property must be handed over to the people by a special commission set up for the purpose, he said.

At 2100 GMT, a video caption indicated that the program would continue after the regularly scheduled "Vesti" program.

At 2127 GMT, the program resumed with a deputy saying that economic reform depends on the Russians passing timely laws and making them work. Many in the government are far from reality, he said, adding very few contracts have been concluded between republics. The

president's idea of free prices is fine, the deputy said, but it does not consider pensioners. Khasbulatov repeatedly reminded him that he is ignoring the clock. Then Khasbulatov reminded the hall that there is a five-minute time limit on speeches.

At 2136 GMT, Deputy Golovin took the floor to speak on behalf of the Smena deputies' group. He said that additional powers for the president will encroach on people's deputies' powers adding that the RSFSR Government is not coping with its obligations. Basically, the presidential program does not give cause for criticism, but it is only a blanket program, Golovin says. Privatization, he concluded, must be launched immediately.

At 2145 GMT, Deputy Agalov claimed that the price increases envisaged by the presidential program give cause for concern. He expressed the complaints of those living in outlying sections of the Baykal-Amur Mainline. Pensions and wages have to be raised in accordance with a minimum standard of living, Agalov stated, and collective and state farms need support. He ran over his time limit, ignoring the bell.

At 2158 GMT, Deputy Voronenko from the Federation of Free Trade Unions, said that a transition to a market economy is being tackled from the wrong angle. Price liberalization, he added, should follow the establishment of competitive mechanisms. Voronenko argued that if prices are kept low, an entrepreneur will have to increase production to make a profit, rather than prices.

At 2203 GMT, Deputy Tikhonov remarked that the Soviets are very good at destroying their old system but not at creating a new one. He said that the presidential program is built on sand. Labor collectives must be asked what form of ownership they prefer, Tikhonov continued. He said we are ignoring those labor collectives which we have and placing our hopes on some kind of future ones.

At 2208 GMT, Deputy Sayanko noted that the presidential program is Yeltsin's second voluminous program. The second program contradicts the first, he said, continuing into budgetary details of Kursk oblast.

At 2213 GMT, Khasbulatov announced that a break is coming up. He said that if Deputy Dmitriy Filippov is given the chance to speak, he will be the 30th speaker on the RSFSR socioeconomic situation. A vote was passed on making him the last speaker.

At 2214 GMT, Deputy Filippov said that today an entrepreneur cannot manage without bribes. Renting premises, getting export licenses, and opening bank accounts all demand bribes, he said, adding privatization creates new opportunities for bribery. To counter this, Filippov said, auctions and broad openness are needed. The presidential program talks of simplifying laws for privatization, he stated, but these laws should not be criticized since they have not been put into operation by the government.

At 2219 GMT, presumably after the interval, Khasbulatov announced that discussion will take place on the draft law on amendments and additions to the RSFSR Constitution. He invited Boris Volodin to speak for three minutes on behalf of the extraordinary congress of the All-Russian Society of Invalids. Since Volodin is not a deputy, a vote was taken on whether he should be allowed to speak. The vote went in Volodin's favor.

At 2221 GMT, Volodin said the country's crisis situation is placing invalids in an intolerable position. He recommended establishing a minimum amount from the budget to be allocated to invalids and called for a part of state property to be transferred to the society of Russian invalids.

At 2226 GMT, Deputy Fomin spoke for members of the education and science trade union in Sverdlovsk oblast. He called for higher teacher wages in his region and in Novosibirsk and for a special state committee to manage vocational training.

At 2229 GMT, Deputy Ilovskiy looked at the resolutions which the congress intends to pass on the social and economic situation. Speaking for the Smena group, he said the main resolution must be to approve Yeltsin's program: an element of authoritarianism now is better than the dictatorship which might come if things drift further.

At 2232 GMT, Deputy Smolin talked about the effects of proposed tax regulations on invalids and makes proposals to remedy perceived faults.

At 2235 GMT, Deputy Kibirev called for greater attention to be paid to the railways as an essential sector of the economy, for everything else depends on them. Only railwaymen's patriotism is keeping the system running, he said, as Russia is one of few republics still funding the Railway Ministry. He urged measures to overcome the problem.

At 2238 GMT, Deputy Pikarskaya spoke for the health care committee and deputies working in the health service. She lamented the lack of funds and facilities and makes proposals designed to direct resources in its direction.

At 2241 GMT, Khasbulatov declared the day's agenda exhausted and asked deputies to cooperate in finishing work on the social and economic resolution tomorrow.

At 2242 GMT, the program ended.

Size of Russian Parliament Remains Unchanged

OW3110144791 Moscow INTERFAX in English
1148 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Each of the two houses of the Russian parliament will have 126 members like before. This became known

after the Congress of People's Deputies turned down constitutional amendments concerning the Supreme Soviet this morning.

Three amendments were proposed to transform the entire congress into a permanently functioning parliament, to increase the size of the House of the Republic to 300 members without changing the size of the House of Nationalities, to increase the size of the House of the Republic to (?300) members and the House of Nationalities to 150.

None of the amendments collected the necessary majority of two thirds (707 votes) in the roll call. The greatest number of votes—541—was cast for the third amendment.

Russia Maintains Moratorium on Land Sales

OW0111060791 Moscow INTERFAX in English
1700 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] The Russian Federation's Congress of People's Deputies has kept in its Constitution a 10-year moratorium on the sale or purchase of land. The congress has voted down an amendment that would repeal the clause. It has permitted only inheritance of land or its sale to the state as represented by local council.

Deputies Continue Discussions on Reforms

LD0111021291 Moscow TASS in English
1947 GMT 31 Oct 91

[By TASS parliamentary correspondent Ivan Ivanov]

[Text] Moscow October 31 TASS—The Fifth Congress of Russian People's Deputies on Thursday [31 october] voted to make a tricolour flag the national flag of the Russian Federation.

Deputies adopted a constitutional amendment saying "no legal or administrative action will be taken against a people's deputy, neither can he be arrested without the consent of the congress or the Russian Supreme Soviet".

Russian Republic President Boris Yeltsin at a meeting with representatives of the Union of Russian Cities proposed setting up an independent state bank in his Republic, using Soviet gold and hard currency resources.

Yeltsin has signed a draft resolution on this issue.

Some deputies believe this decision may affect the results of the meeting of the Soviet economic community prime ministers to be held on Friday [1 November].

The Congress continued the discussion of Yeltsin's plan of radical economic reforms. Some deputies proposed to use fixed prices on staples during the liberalisation of prices in the republic, as well as to control privatisation and protect lower income families. Others warned of possible public excesses during the reform.

On Friday, the Congress will discuss a draft resolution on the social and political situation in Russia, that is being finished by the drafting commission, and Yeltsin's request for broad new executive powers to take the republic out of the crisis. Parliamentarians will also elect deputies chairman of the Russian parliament.

Yeltsin Request for Powers May Split Congress

*LD0111101891 Moscow TASS in English
0954 GMT 1 Nov 91*

[By TASS parliamentary correspondents Aleksandr Mineyev and Gennadiy Talalayev]

[Text] Moscow November 1 TASS—Russian President Boris Yeltsin's demand for greater extraordinary powers may lead to a split between participants in the Fifth Congress of Russian People's Deputies today as they continue to discuss the bill on amendments and supplements to the Russian Federation Constitution.

The centrepiece of today's meeting will be a debate on the draft documents on the socio-economic situation in Russia. Judging by bitter polemics that flared up at the Congress on Thursday [31 October], it will not be easy to reach agreement. The issue of granting the Russian president extra powers to implement the programme of sweeping reforms may become the stumbling block.

This calls into question the possibility of electing a new first deputy and deputies of the Russian Parliament chairman at the evening session. The post of first deputy became vacant after Ruslan Khasbulatov was elected speaker of the Parliament and the deputies' posts arose after Svetlana Goryacheva and Boris Isayev stepped down from them at the Congress.

Parties To Sign Cooperation Document on Reforms

*LD0111121291 Moscow Radio Rossii Network
in Russian 1000 GMT 1 Nov 91*

[Text] An agreement between Russian President Boris Yeltsin and the political parties on cooperation in carrying out the reforms put forward by the Russian leader at the Fifth Extraordinary Congress of Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies is being prepared for signing. Sergey Stankevich, RSFSR state advisor on relations with public associations, told the RIA correspondent that a document could be signed next week. According to Stankevich, the agreement will not, apparently, be signed with all parties registered at the RSFSR Ministry of Justice. There are nine of these at present. Representatives of several parties, including the Russian Social Democratic Party, have expressed initial willingness to sign the document. They have, however, asked for a delay of several days in order to discuss the problems in the leading bodies of their parties. It will be clear at the beginning of next week just who will give concrete backing to the Yeltsin reforms.

Parliament Approves Yeltsin's Economic Program

*LD0111123191 Moscow Radio Moscow World
Service in English 1200 GMT 1 Nov 91*

[Text] The Russian Republic's parliament on Friday [1 November] overwhelmingly approved President Boris Yeltsin's program to introduce radical economic reforms. The Congress of People's Deputies, the republic's supreme legislature, voted by 876 votes to 16 to back the program to transform the economy rapidly into a market oriented system. The program is underpinned by the freeing of prices by the end of the year and a broad measure of privatization. The congress then gave approval, in principle, to a resolution extending Yeltsin's powers and effectively entitling him to take control over conservative local authorities likely to oppose his austerity measures. A total of 618 deputies backed the more radical of the two proposals which made lower levels of government in the Russian Federation unconditionally subordinate to Yeltsin's authority. The resolution bans all elections and political activities at local and regional levels for more than a year. It entitles Russian President Yeltsin to place his own appointees in local authorities if they act at variance with his program. Deputies are to vote later on an even more comprehensive proposal enabling Boris Yeltsin to issue, at will, decrees on the economy and to overrule any Soviet legislature deemed to hinder his reforms.

Comparison of Yeltsin 28 Oct Congress Address

CM3110204091

Moscow ROSSIYSKAYA GAZETA in Russian on 29 October 1991 in its First Edition on pages 1-2 carries Boris Yeltsin's speech to the Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies. The ROSSIYSKAYA GAZETA item, entitled "Russian President's Speech to the Peoples of Russia and the Congress of People's Deputies of the Russian Federation," has been compared to the Moscow Russian Television Network in Russian version broadcast on 28 October at 0800 GMT and published in the 29 October Soviet Union DAILY REPORT on page 46 allowing for the following variations:

page 49, column one, first full paragraph, first sentence, ROSSIYSKAYA GAZETA reads: population and children and also the population affected by the Chernobyl problem. Much needs to...(adding phrase);

page 53, column two, third full paragraph, third sentence, ROSSIYSKAYA GAZETA reads: needs of Russia, especially in order...(omitting phrase);

page 54, column one, first full paragraph, second sentence, ROSSIYSKAYA GAZETA reads: to emerge from rigid state tutelage, to...(adding "rigid");

same page, same column, penultimate paragraph, fourth sentence, ROSSIYSKAYA GAZETA reads: A number of republics—Tataria, Yakutia, and some others—are quite justifiably...(adding phrase);

page 55, column one, first paragraph, penultimate sentence, ROSSIYSKAYA GAZETA reads: ...it is now.

Esteemed people's deputies,...(omitting sentence).

Federation Affairs

Yeltsin on Ending Tests on Nuclear Weapons

LD2910120791 Moscow Radio Rossii Network
in Russian 1100 GMT 29 Oct 91

[Text] We have received in our office an instruction from the president of the Russian Soviet Federated Socialist Republic [RSFSR] on ending tests of nuclear weapons at the Novaya Zemlya testing ground. We had reported this news on the basis of summaries from various news agencies, but now I have it in front of me in full. The decree states:

In support of the initiative of U.S. President George Bush and USSR President Mikhail Gorbachev, proceeding from our desire for a complete end to nuclear tests and considering numerous appeals from local authoritative bodies and from citizens of the Russian Federation, I hereby decree:

1. A one-year moratorium is to be introduced on conducting nuclear tests in the Russian Federation;
2. The Novaya Zemlya archipelago testing ground is no longer to be used for nuclear tests;
3. The RSFSR Council of Ministers, by 1 December 1991, is to propose provisional measures for utilizing the scientific and technical potential of the Novaya Zemlya testing ground; and
4. The RSFSR Council of Ministers is to ensure social welfare measures for servicemen made redundant following the cessation of operations at the testing ground.

The decree is dated 26 October 1991 and signed by RSFSR President Boris Yeltsin.

[Moscow ROSSIYSKAYA GAZETA's First Edition in Russian on 30 October on its front page publishes the text of this decree. The ROSSIYSKAYA GAZETA version is identical except it omits the first paragraph and begins with "In support of...".

[The third point of the decree in the version published by the paper reads:

["3. The RSFSR Council of Ministers, by 1 December 1991, is to propose measures for utilizing the scientific and technical potential of the Novaya Zemlya testing ground and the specialists employed there for civic purposes; and"]

Yeltsin Elaborates Further on Reform Plan

Proposes State Bank

LD3110174891 Moscow TASS International
Service in Russian 1550 GMT 31 Oct 91

[By Vladimir Isachenkov and Gennadiy Talalayev]

[Text] Moscow, 31 Oct (TASS)—Boris Yeltsin, Russian Soviet Federated Socialist Republic [RSFSR] president, today declared that a State Bank of Russia may be created on the basis of the USSR State Bank. In that case, "all the hard currency and gold would become Russia's property," he said.

Speaking at a meeting with the representatives of the Union of Russian Towns in the Kremlin, Boris Yeltsin stressed that this proposal was triggered by the USSR president's decision to implement a credit emission of 30 million rubles—"an action which is impermissible with regard to sovereign states, particularly those which have signed an economic agreement; it contradicts this agreement."

Boris Yeltsin announced this a few hours before he signed a draft resolution of the RSFSR Congress of People's Deputies to this effect. In his words, the idea of setting up a State Bank of Russia on the basis of the USSR State Bank is a "bold decision"; however, Russia cannot "belong to an economic community and, at the same time, allow someone else to control the money, particularly the right of emission." "At any moment, we, the Russians, could be undermined."

Sergey Stankevich, member of the USSR State Council, talking to a TASS correspondent and commenting on Boris Yeltsin's speech, stressed that the president outlined the problem but had not said that a final version for solving it already exists."

"Consultations with the republics are required, and a preliminary discussion with experts is also necessary," he continued. Apparently, the address to the congress will become an address to the republics as well."

Sergey Stankevich pointed out that, so far, no final agreement has been reached between the republics on a mechanism of repayment of foreign debt. "The agreement which has been reached is very indefinite, but delaying the issue of external debt is fraught with grave consequences," he said. "At the same time, settling the issue of servicing the foreign debt must be accompanied by a decision on who controls the bank deposits abroad."

Further on State Bank

LD3110200891 Moscow Russian Television Network
in Russian 1800 GMT 31 Oct 91

[Excerpt] The day's sensation in the Kremlin was an event that took place outside the hall where the Russian Soviet Federated Socialist Republic [RSFSR] Congress of People's Deputies is being held. It took place at the

residence of Russia's president. Yeltsin, at a meeting with representatives of the Union of Russian Towns, spoke of the possible creation of a State Bank of Russia on the basis of the USSR State Bank. In this respect all currency and gold would become the property of Russia, Yeltsin said, stating that today he had signed a draft decision of the Congress on this issue. In the Congress corridors some people regard this sensational statement by Yeltsin as a form of putting pressure on tomorrow's session of the council of heads of government and state belonging to the economic community of republics of the former Union.

Here with the details of Yeltsin's meeting with representatives of the Union of Russian Towns is our correspondent A. Yaroshevskiy:

[Yaroshevskiy] The meeting began without any preliminaries. There is now no time for preliminaries. It seems the mayors themselves were not expecting such a cordial assessment, practically without any discussion by the Russian president of almost all the proposals by the recently created Union of Russian Towns. A request that town halls be given a single budget, in effect, independent of the oblast bodies, and the possible privatization of property, creation of town banks and almost 10-fold reduction in the numbers of local soviets are together with the towns' other problems considered by Yeltsin to be quickly resolvable.

Yeltsin also proposed the inclusion on tomorrow's agenda of the Russian deputies' congress, or thereafter, of questions relating to presidential control not only over the elections of the heads of administration in the oblasts and krais, but also over those in towns.

The decision to liberalize prices, the president said, was extremely hard for him. The heated passions are understandable, but there is no other way out. At least Western leaders had uniformly convinced him of this.

Meanwhile, Russia's towns are attempting to protect themselves against the impact from this difficult time. [passage omitted]

Renounces Intentions on Bank

LD011123191 Moscow TASS International Service in Russian 1212 GMT 1 Nov 91

[By TASS correspondent Ivan Ivanov]

[Text] Moscow, 1 Nov—Boris Yeltsin has renounced his intention expressed yesterday to transform the USSR State Bank into the State Bank of Russia. Ivan Silayev, leader of the committee for the operational management of the country's national economy, has stated this to your TASS correspondent.

He said that he met the Russian Soviet Federated Socialist Republic [RSFSR] president this morning and discussed with him, in particular, the subject of the bank, which has seriously alarmed Western partners.

"We agreed," Ivan Silayev added, "that the new USSR Supreme Soviet will consider the matter of the 30 billion ruble credit from the USSR State Bank to the country's finance ministry according to the established procedure and adopt an appropriate decision. In other words, Boris Yeltsin has effectively withdrawn his interpretation of the matter."

At the council of heads of government of the member states of the economic community, Ivan Silayev was today recommended for the post of prime minister of the community.

Comments on Russian Currency

LD3110175391 Moscow TASS International Service in Russian 1636 GMT 31 Oct 91

[By Vladimir Isachenkov and Gennadiy Talalayev]

[Text] Moscow, 31 Oct (TASS)—Russia has begun technical preparations for introducing its own currency, Boris Yeltsin, president of the Russian Soviet Federated Socialist Republic, stated today at a meeting in the Kremlin with representatives of the "Union of Russian Towns."

"Ruble intervention from other republics would be a very serious blow to us," the Russian president said. He stressed that such an intervention from the three Baltic republics was not so terrible, but if the Ukraine introduces a national currency, Russia will be obliged to issue its own currency.

At the same time Boris Yeltsin noted that such a step would be a forced one: Russia should not be "the initiator of the disintegration of the Union."

Discusses Trade Union Reforms

OW3110183791 Moscow INTERFAX in English 1700 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Russia's President Boris Yeltsin intends to ask the RSFSR Congress of People's Deputies to think over a possibility of setting up Russia's State Bank on the basis of the USSR State Bank. He said so at the meeting in Moscow of spokesmen from the federation's city councils. "That would include all—the gold and foreign exchange reserve, and so on. We can't be members of a world community and trust our money emission to somebody else".

The State Counsel Sergey Stankevich explained that the President was only raising the issue, not talking of a future decree or another legal act. In any case, he said, a public agreement is better than a one-sided decision.

The president cautioned from "gradual reforms". "We can't drag out the reforms protracting the agony for ourselves and the people. We'll only get into an impasse

that way. I talked with Bush, Mitterrand, Thatcher—all of them advise resolute and speedy action as the only way out”.

Yeltsin is sharply opposed to privatization by former government departments. “This is what’s happening now”, he said, “but I think it’s a stark breach of law”.

The meeting also raised the issue of trade unions. “The Federation of Independent Trade Unions which has replaced the former Central Council of Trade Unions is becoming a monopolist structure as before”, he commented.

The president admitted the trend towards a disintegration of the Soviet Union. “True, we have signed an economic agreement”, he said, “but we can’t believe in it as the Holy Scripture. We may find it busted just as the food supplies agreement which was signed last January but never fulfilled. Russia should not encourage this disintegration, but it should be ready for it.”

Yeltsin added that last summer’s emission of 30bn [billion] rubles can become another point of friction in his relations with Gorbachev. That emission had never been agreed with the republics and was even carried out without their knowledge.

Plans Abolish Deputy Premiers

LD3110233891 Moscow Radio Rossii Network
in Russian 2200 GMT 31 Oct 91

[Text] There will probably not be any deputy premiers in Russia’s reorganized government. This is clear from a statement by Russian Soviet Federated Socialist Republic President Boris Yeltsin made yesterday in the course of a conversation with the leaders of the Union of Russian Towns in the Kremlin. The president said that it is intended to substantially reduce the number of ministries and departments. They will be united into thematic units: legal, economic, and so on. According to Yeltsin, there will be four or five such units. Each will be run by a minister of state. Apart from that the post of coordinating minister is also envisaged. This was reported by the Russian News Agency.

Briefs Industrial Executives

LD3110234791 Moscow TASS in English
2244 GMT 31 Oct 91

[By TASS news analyst Lyudmila Alexandrova]

[Text] Moscow October 31 TASS—President Boris Yeltsin of the Russian Federation had a meeting with representatives of the Russian parliament’s industrial union group here today. The meeting dealt with a radical economic reform and the role of directors of large industrial enterprises in it.

The group members, representing the management of large industrial conglomerates, said they decided to

support at the Congress of Russia’s Peoples Deputies Yeltsin’s request for additional powers for the reform period.

Responding to questions, Yeltsin said that a decree on the liberalisation of prices had already been drafted but declined to specify a date for its signature so as to “not to agitate the population”.

The prices of a number of goods and foods will be regulated as before. Among these items will be coal, petroleum, gas, fuel, precious metals, etc., as well as milk, bread, salt, baby foods, and vodka, he said.

The liberalisation of prices will be immediately accompanied by the introduction of unrestrained wages in the material production sphere, Yeltsin said.

Amendments to the taxation legislation will be made. It is planned to eliminate the tax on enterprises’ own capital investments. He assured those present that the authorities would not intervene in the functions of production workers and that their relationships would be regulated only through taxation.

Speaking about defence industry conversion, Yeltsin said that at first the Defence Ministry’s real requirements for weapons and military hardware should be ascertained. In his view, the sale of armaments abroad may be also a sufficiently profitable business.

“We shall not trade, of course, in nuclear weapons. But we can well trade in tanks and Kalashnikov submachine-guns,” he added. It is essential to meet commitments for military deliveries to such countries as India, he believes.

The president said he discussed with George Bush the question of whether the arms market should be divided between the two countries. But the U.S. President deemed that inadvisable.

Touching upon relationships between Russian enterprises and union agencies, Yeltsin urged those present not to orient themselves towards union structures.

“The union still seeks to keep some of the rigid structures. But this will not do, republics will not agree to that,” he added.

Seventy ministries will be abolished within a month, the president of the Russian Federation said. As far as a future Russian government, to be headed by the president himself, is concerned, the number of ministries is expected to be cut down almost by half. There will be five clusters with six to seven ministries each. Every cluster will have one executive whose work is to be harmonised by a minister-coordinator who will be virtually the first deputy prime minister. Yeltsin tentatively supported a request by the industrial union representatives that Yuriy Skokov be appointed to this post.

The president said the Russian leadership decided to restore economic relations with East European countries as soon as possible through bilateral treaties.

"It was our error that we simply abandoned East European countries," he said. Trade with them will be maintained only at world prices, Yeltsin added. This also applies to such countries as India or Cuba. He said he had received a letter from Cuban leader Fidel Castro who expressed readiness to conclude a direct treaty with Russia, expressing particular interest in fuel and grain.

Relations with republics which did not want to join a new union will be maintained virtually on the same principles. From January 1, next year, all reciprocal deliveries will be carried out only at world prices. The signing of such a treaty with Moldavia has already brought in 2.5 billion roubles to Russia, Yeltsin said.

The Russian president spoke in detail about economic relations with the Ukraine. Even if it does not want to join a political treaty, trade and economic relations between Russia and the Ukraine will not only be maintained but will gain in scope, too, he said, adding that this is provided for by a draft treaty on bilateral cooperation and that the draft treaty has already been practically prepared.

Says Price Liberalization Ready

LD011114691 Moscow Central Television First Program in Russian 1000 GMT 1 Nov 91

[From the "Television News Service" program]

[Text] A decree on the liberalization of prices in Russia has been prepared. Russia's President Yeltsin reported that this operation will be carried out in the near future. However, according to his words, he did not specify the date for making the decree public in order not to agitate the population.

Highlights Aspects of Reform

OW0111131891 Moscow INTERFAX in English 1145 GMT 1 Nov 91

[Transmitted via KYODO]

[Text] On October 31, in the Kremlin, president of the Russian Federation, Boris Yeltsin, met with representatives of the parliamentary group "Industrial Union"—an influential group mostly consisting of managers of industrial enterprises. During the meeting Boris Yeltsin highlighted the cardinal aspects of his course.

LIBERALIZATION OF PRICES. Mr. Yeltsin said that the decree on the liberalization of prices had been drafted already. He did not reveal, however, when it will be signed and start working. He stressed that concurrently, limitations on wage increases in the industrial sector would be lifted.

As before, the state will regulate wholesale prices on coal, slates, coke, oil, natural and condensed gas, electric energy, kerosene, precious metals, alloys and scrap; unfinished diamonds, precious, semi-precious, synthetic and artificial stones; shipments, railway, sea, river and

air transportation, and the basic postal services. It will also regulate retail prices on milk, basic bakery products, salt, baby food and vodka; fuel, gas an thermal and electric energy for the population, gasoline, diesel fuel and kerosene, and individual medicines.

RELATIONS WITH FORMER UNION REPUBLICS.

Mr. Yeltsin confirmed that beginning January 1, accounts with the former union republics which would not join the new political or economic union would be settled at world prices.

Mr. Yeltsin said that the Ukraine would hardly sign the treaty on political community. He noted, however, that after emotions over presidential elections in the republic settle down (the election is scheduled for December 1), the Ukraine may sign an economic treaty.

Relations with the Baltic states, said Mr. Yeltsin, should be put on an inter-state basis, particularly the questions of customs and borders, while trade should be at world prices.

CONVERSION AND ARMS SALES. Mr. Yeltsin expressed doubts about the need to develop a conversion programme. He said it was the duty of the state to remove barriers hampering conversion and allow industrial enterprises to work on their own.

He said he had instructed the Soviet Defence Minister Yevgeniy Shaposhnikov to determine the Armed Forces' exact needs for the year 1992.

The president said that the Russian Federation would continue selling armaments. He said he had had a conversation with President Bush who did not object to the Russian Federation's plans to continue selling such types of weapons as tanks, aircraft and small arms.

The needs of the armed forces and of arms exports constitute the level which should be maintained in the arms industries. The rest should undergo conversion, he said.

FOREIGN TRADE. Mr. Yeltsin said that the union structures had committed a mistake by abandoning the Eastern European states for political reasons. As to the Russian Federation, it is planning to conclude trade agreements for 1992 with all of the Eastern European states.

Trade with all foreign states will be at world prices, said Boris Yeltsin, and added that at the moment Russia could not extend anyone new trade credits.

Further Reaction to Yeltsin Reforms Noted

Yeltsin's Career 'On the Line'

PM3110161391 Moscow IZVESTIYA in Russian 30 Oct 91 Union Edition p 1

[Valeriy Vyzhutovich article: "Political Diary: We Were Afraid of Shock Therapy. And Now We've Come to Shock Therapy"]

[Text] When Ruslan Khasbulaev, chairing the Congress, announced that Boris Yeltsin would address people's deputies and all citizens of Russia, the hall seemed to prepare itself in some disappointment for a parting five-minute speech and got a report lasting almost an hour. Was this a careless change of "genre?" A special case of procedure? No, it was an address—the only precise and necessary political approach when talking to the people and those representing the people—a public request for trust ahead of decisive, tough actions unprecedented in terms of their significance and consequences. Everyone realizes that this credit of trust will be the last, even if it is issued by the whole people. The Russian president himself has decided the date of repayment: fall 1992.

After a two-month delay accompanied by political uncertainty, scandals, and squabbles in White House offices, the Russian authorities have finally produced a program. This program will be subjected to careful investigation and highly varied assessments from right and left, but it does exist. Russia will have to take it into consideration as the only state plan to date for overcoming the impending catastrophe.

In stating his readiness to take charge of the Cabinet of Ministers, Yeltsin has voluntarily mounted the scaffold and put "on the line" not only his reputation as the people's defender, which has been mercilessly tested by free prices, but also his entire political career. In taking this courageous step, the Russian president deprived himself of any freedom to maneuver. Before the putsch the poor success rate of his efforts was justified by the retarding omnipotence of the CPSU; after August it was attributed to government incompetence and sluggishness and to the frivolity in office of his immediate entourage engaged in in-fighting. Amid this mixture of palace intrigue and squabbling with all and sundry, Yeltsin might for some time—for an extremely short period—have felt at home, rising above the political bustle, ascribing mistakes first to the State Council then to the Government. Now if the Congress gives the go-ahead, full executive power will put a heavy burden on his shoulders, and it will either crush him or elevate him in the eyes of exhausted Russia.

If the Russian president heads the Cabinet of Ministers, the idea of creating a government which has the people's confidence may be brought to fruition—an idea embodied virtually in a single person. This is promoted by the age-old Russian inclination to trust not so much concrete programs—as confirmed by the summer presidential election—as a leader.

Yeltsin the reformer's main adversary is Yeltsin the populist. This struggle with his own political image is the Russian president's current drama. The outcome will depend not only on the will and persistent determination of Yeltsin himself but also on his support (or lack of) from influential social forces. Although, while gambling on a bloc of political parties rather than Democratic Russia alone, as in the election, Yeltsin should realize

that the leaders of these parties will hardly be satisfied with the role of "selfless sources of ideas and proposals."

The local soviets, which, as the experience of Ulyanovsk, Tambov, Tomsk, and other cities has shown, do not recognize the administration heads appointed by the White House, will almost certainly end up among the political structures opposing the new cabinet head. The reforms are doomed to failure without a tough vertical executive. The Congress will probably give Yeltsin the additional powers required to transform the supreme executive, which can quite clearly be seen to be unwarrantedly cumbersome.

The republics of the destroyed Union will haphazardly be reformed as Russia's most important opponents. The varying thrust of the political and economic steps taken by the members of the former "family of peoples" and the failure to coordinate the market steps taken by the Russian Soviet Federated Socialist Republic with similar steps taken by its neighbors will threaten Yeltsin's reform with a grim fate, but the choice has been made. There is nowhere for Russia's president to go, nor is there for us.

Silayev Comments on Address

PM0111095191 Moscow ROSSIYSKAYA GAZETA
in Russian 31 Oct 91 First Edition p 1

[TASS report: "Ivan Silayev: We Have Seen 'Our Yeltsin' Again"]

[Text] A TASS correspondent has asked I.S. Silayev, chairman of the Interrepublic Economic Committee, to comment on B.N. Yeltsin's speech at the Congress of Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies:

[Silayev] The Russian president's speech to the Russian people's deputies makes a very powerful impression. We once again saw 'our Yeltsin' as we have become accustomed to seeing him in hours of difficulty, and the president's decision to head the cabinet of reforms himself is the step of a very courageous man. As former head of the Russian Government and leader of the Interrepublic Economic Committee, I can only welcome this as perhaps the only correct choice today. It is obvious to me for one that the cabinet of reforms which our press has already dubbed the 'kamikaze' government can only be a cabinet of trust, and in Russia there is no man who enjoys greater trust among our citizens than the president himself.

Russia's resolve to embark on radical market transformations is a very difficult and responsible decision but the only correct one today. The situation in the economy is such that there is nowhere further to retreat.

[TASS correspondent] Perhaps not everyone will agree immediately with the resolve of Boris Nikolayevich's actions. As chairman of the Russian Council of Ministers you took part in the elaboration of a program for the

transition to the market, and you know how radical the reforms are. In this case what must the Interrepublic Economic Committee do: assist the Russian reforms and coordinate the processes for the entry into the market of the sovereign republics of the new Union or something else?

[Silayev] We shall both assist and coordinate. We shall also agree on actions. I believe that elements of dispute and contradictions cannot be ruled out. We must be prepared for them and see them without anguished bias, as elements of our work.

Pricing Official Predicts Opposition

LD3110170991 Moscow TASS in English
1629 GMT 31 Oct 91

[By TASS correspondent Viktor Troyanovskiy and Raul Tukhvatullin]

[Text] Moscow October 31 TASS—Russian Republic President Boris Yeltsin's plan of economic reforms should not be viewed as an order to free prices in the republic, Vladimir Zhenin, head of the Russian parliamentary subcommission for prices, said.

"There is a big gap between words and actions," Zhenin told TASS.

A mechanism for freeing prices, which has yet to be worked out, will have to be discussed by the Soviet parliament. The Russian president may also issue a relevant decree, Zhenin said.

He said his subcommission has not yet contacted Yeltsin on this issue and expressed hope such contacts will soon be established.

Zhenin said the president's statement triggered sporadic price rises in Moscow and drew fire from people.

In Yekaterinburg, local authorities raised prices on sour cream and milk to 16 and three rubles per liter respectively, but had to reverse the decision under the pressure of protesting residents.

"We've got to dispel the illusion that prices are set by good or bad people, commissions or committees. Prices are determined by our life and a market, which we are creating," Zhenin said.

He warned of possible excesses if prices are released.

Constitutional Court Meets Yeltsin, To Elect Head

OW0111002291 Moscow INTERFAX in English
1430 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] A member of the Russian Federation's Constitutional Court, Nikolay Vitruk, has told an INTERFAX correspondent that in the morning today, Oct 31, the

court had a meeting with Boris Yeltsin who gave them to understand "he has no hopes we would be tractable judges in his pocket."

N. Vitruk also informed IF [INTERFAX] that the court will probably elect its chairman on Friday [1 November].

Reform Adviser Discusses Pricing, Tax Policies

LD0111020191 Moscow Russian Television Network
in Russian 2100 GMT 31 Oct 91

[Interview with Mikhail Dmitriyevich Maley, deputy chairman of the Council of Ministers and chairman of Russia's State Committee for Managing State Property, by announcer Aleksandr Gurnov in Moscow; from the "Vesti" newscast—live]

[Text] [Gurnov] Sergey Stankevich said today that preparations are under way for an agreement between Yeltsin and political parties on conducting a program of reforms. We have invited to the studio Mikhail Dmitriyevich Maley, who is currently being referred to as the author of the ideas in the president's new radical program. The words that everyone remembered from Yeltsin's speech were the unfreezing of prices, and this process has already begun to all intents and purposes. Panic-stricken people are now buying up everything remaining, and panic-stricken retailers are jacking up prices. How much will this continue? How may it end, Mikhail Dmitriyevich?

[Maley] You know, the panic that always accompanies such news cannot really be controlled. However, I think that the citizens of the Russian Federation have in vain rushed to buy up what remains. The point is that the freeing of prices is an unavoidable operation. If we had done it in 1985 or a year ago, the results would have been much greater. As the president has said, we are now embarking on this step and are ready to counter a frenzied increase in prices by a whole number of measures. The first measure is the freeing of state enterprises and the granting of complete market freedom to them as subjects of the market, whether they be private or state-owned. The second is sharp tax reform. The third is an end to the normative levies on the hard currency earned and the granting of this hard currency to the enterprises for the reproduction of their enterprises. Finally, a further point is that I have made a rough expert calculation. We are intending now to begin extensive privatization, and I think that we will be able to provide in the budget around 55 billion rubles [R] in 1992—that is, just in the budget—and to provide about R100 billion for the creation of the president's reserve fund. This will be a buffer that will help to prevent the extreme impoverishment of the less well off sections of the population and to create a state price regulator. The freed producers will inevitably provide more goods than they have been providing now at the state level. The practice of 1990 and 1991 has shown that the moment enterprises become collective, or at least leasehold ones, productivity increases by a minimum of 20 percent in real

terms. This is on what we are counting. I would like to tell the citizens of our republic, reiterating the president's words, that it will be a difficult period, but we will now be able to cope with this situation, and I think that by autumn, as the president said—I am reiterating his words—almost every one of our Russian people will see that the worst will be already behind us.

[Gurnov] Okay, thank you, Mikhail Dmitriyevich. Let me add that Mikhail Maley has just returned from a meeting with President Yeltsin. You and I have been receiving information virtually first hand.

Reportage on Economic Situation in Republic

Socioeconomic Statistics Published

PM3110143391 Moscow ROSSIYSKAYA GAZETA
in Russian 31 Oct 91 First Edition pp 1-2

[Russian Soviet Federated Socialist Republic, RSFSR, State Committee for Statistics report under the "Official Section" rubric: "But There Are Increasingly Few Goods. RSFSR's Socioeconomic Position in January-September 1991"]

[Text] The nine month statistical results reflect the complex critical situation in the RSFSR national economy. The most acute situations are taking shape on the consumer market and in particular in the population's food provisions. The harvest of grain and several other crops has been substantially smaller this year than last. The farms are doing everything to hold up the sale of agricultural output to the state. Centralized stocks of this output have been greatly reduced, as a result of which the large industrial centers have begun experiencing the greatest difficulties with regard to supplies. Many other consumer goods are also disappearing from the store shelves. The volumes of consumer and other services for the population have been markedly reduced. The April increase in retail prices initially somewhat weakened the frenzied demand on the market, but the supply of goods is not increasing and now quota-based trade in various forms is becoming increasingly widespread.

The functioning of the republic's national economy is still largely implemented within the framework of the economic relations which took shape previously. Headway along the path of reforms is proceeding only slowly and it is in this that one sees one of the main reasons for the difficulties which are arising.

The laws on privatization, antimonopoly activity, and tax policy create the legal basis for forming the foundations of a market economy. By early October there were 2,700 enterprises working on lease terms in industry while in construction the figure was 5,000 enterprises. In retail trade and public catering the figure was about 13,000. Citizens own 66 stores and booths and 28 public catering enterprises. The process of creating joint stock

companies, associations, commercial banks, and commodity, commodity and raw material, and stock exchanges is being expanded.

In the republic there are over 31,000 peasant (individual) farms. In September alone their number increased by 3,000.

This year the area of collective orchards increased by 302,000 hectares (50 percent) and the area of collective market gardens has increased by 421,000 hectares (over 100 percent). Some 3.4 million families have received plots for orchards (on average 0.09 hectares per family), while 6.7 million families have received plots for market gardens (0.063 hectares each).

INDEXES OF PRICES AND TARIFFS. Compared with the first nine months of 1990 the consolidated index of prices for consumer goods and paid services for the population was 177.1 percent, including 179.7 percent for goods.

Retail prices in September were 111 percent higher than prices for consumer goods in September last year, including 90 percent higher for food goods, with prices for bread, flour, sugar, meat, sausages, and fish 150-230 percent higher. Prices for fruit and vegetables increased substantially (5-10 times). Kolkhoz market prices for milk and poultry increased 150 percent, for animal fat 170 percent, and for eggs 160 percent.

In September nonfood goods were 120 percent more expensive than in September last year.

The increase in retail prices is directly connected with the rise in wholesale prices, which increased relatively rapidly. In industry the overall level of wholesale prices in September compared with September last year increased 170 percent while in the food and light industry it increased 240-260 percent. Purchase prices for agricultural output, according to figures for the first half of the year, rose 56 percent.

The index of prices and tariffs for paid services for the population in January-September was 158.1 percent. Here tariffs for the services of sanatoriums and resort institutions increased more rapidly (130 percent).

On average over the nine months compared with January-September last year, tariffs for passengers' rail travel increased 60 percent, for air travel 50 percent, for road travel 90 percent, for travel by internal waterway and by sea 80 percent, for travel by trolleybus and subway 130 percent, and by tram 200 percent.

POPULATION'S INCOMES. The population's monetary incomes amounted to 466.2 billion rubles [R] and increased by R195.4 billion (72 percent) compared with the first nine months of last year. This increase is caused by the increase in the remuneration of labor, pensions, grants, and allowances, and additional payments into savings in connection with the increase in retail prices and tariffs [as published].

On average each worker and employee had about R450 in funds channeled into consumption; in economic associations this indicator was 8 percent higher, in joint stock companies it was 40 percent higher, and in cooperatives for the production of goods and the rendering of services to the population it was 50 percent higher. The average monthly wage of kolkhoz members in the public economy was R260 and increased 25 percent.

The increase in monetary incomes outstripped the increase in the population's consumer expenditure. In January-September the population's expenditure on the purchase of goods and payment for services was R320.9 billion and increased 53.1 percent. The entire increase was obtained by increasing prices and tariffs. Compulsory payments and various subscriptions totalled R43.3 billion.

POPULATION'S INVESTMENTS IN INSTITUTIONS of the savings bank and securities increased by R53.8 billion (by 11.3 billion over the first nine months of last year). The balance of the population's investments as of 1 October was R265.8 billion, and taking into account compensations deposited in special accounts, R337.2 billion.

In January-September the increase in cash was R48.2 billion, which is 150 percent higher than the increase for all of 1990. This shortfall of ready money was made up by the issue of money, which was 270 percent higher than the level for the first nine months of last year.

MANPOWER RESOURCES AND THE POPULATION'S EMPLOYMENT. This year the deterioration of the demographic situation is continuing in Russia. The natural increase in the population in January-September was 120,000; that is 111 percent fewer than for the same period last year. On 27 territories the number of deaths exceeded the number of births.

The RSFSR's manpower resources total 86.8 million people, or about 60 percent of the total population. Some 73.3 million people are employed in all spheres of activity. Compared with January-September last year the number of employed has fallen by 1.3 million.

Throughout July-September over 340,000 out-of-work citizens applied to the employment services. Over July-September work was found for 114,000 citizens. As of 1 October nearly 35,000 people were deemed unemployed and benefits were earmarked for about 6,000 of them. Through the channels of the employment services 1,500 took part in public work and about 1,000 underwent professional training.

At the same time the employment services have received from enterprises and organizations information about the need for 900,000 workers, mainly workers with specialities (92 percent of requests).

CONSUMER MARKET AND SERVICES SPHERE. RSFSR industry produced consumer goods worth R334

billion at retail prices, which is one percent less than in January-September last year.

The production of food goods declined 7 percent. In every fourth territory of the RSFSR the production of food declined 11-22 percent. The reduction in production volumes was largely caused by the reduction in the delivery of agricultural raw material to processing enterprises. Everywhere the processing of meat and dairy produce was reduced. Nearly three-quarters of regions reduced the production of canned fruit and vegetables.

The production of nonfood goods increased 2 percent (by R4.1 billion) in retail price terms, mainly through the production of domestic equipment in the defense sectors of industry and also through changes in the range of output produced in expensive equipment.

The production of light industry goods remained at last year's level in terms of retail prices and was R73 billion. In terms of the amount produced there is a considerable slump in production for many of the sector's goods in constant demand (textiles, knitwear, hosiery, and shoes).

RETAIL TRADE TURNOVER was R281 billion. The population's expenditure on the purchase of goods increased over 50 percent compared with January-September last year. Here the physical mass of goods sold declined 11 percent.

Compared with January-September last year there was a decrease of 20-32 percent in the sale of margarine, fish and fish products, sugar, fruit and vegetable juices, leather footwear, soap, detergents, china and earthenware, furniture, refrigerators and freezers, tape recorders, and knitted articles; a decrease of 11-19 percent in the sale of meat and meat products, cheese, eggs, animal fat, confectionery, potatoes, vegetables, cameras, and radio receivers; and a decrease of 5-10 percent in the sale of washing machines, bicycles and mopeds, electric vacuum cleaners, and sports goods.

The delivery of stockraising products for market stocks fell 10-23 percent. There are substantial violations of deliveries of output from other republics. The nine-month plan for the dispatch of meat products to the RSFSR has been fulfilled 94 percent by the republics as a whole including 97 percent by the Ukraine, 74 percent by Lithuania, and 64 percent by Moldova; while the plan for the dispatch of animal fat has been fulfilled 99 percent, including 94 percent by the Ukraine and Lithuania and 97 percent by Latvia.

The delivery of sugar into trade has declined by one-quarter compared with last year's level. Over the nine months Russia failed to receive 897,000 tonnes of sugar (57 percent of the plan) from the other republics, including a shortfall of 859,000 tonnes (57 percent) [figures as published] from the Ukraine. The sale of sugar everywhere is by coupons, frequently without a reliable guarantee that they will be exchanged for food. In the rural areas of Vologda, Ivanovo, Kirov, Perm, Pskov,

Sverdlovsk, and Tver oblasts and a number of others bread ration books have been introduced.

Over the nine months paid services worth R36.5 billion were sold to the population, which in comparable prices is 22 percent lower than last year's level.

INDUSTRY. The volume of industrial production was R740 billion and compared with January-September last year (in comparable prices, according to enterprises' reports) it declined 3.3 percent. The production of output in the coal, oil extracting, metallurgical, chemical, and petrochemical industries and also in the food industries—the confectionery, tea, meat, dairy, and fish sectors—declined at relatively greater rates than for industry as a whole. The reduction in production output occurred in the majority of regions and in 20 territories the decline was 5-9 percent.

Under the contracts which have been concluded there has been an output delivery shortfall of R18.4 billion (2.4 percent of the total volume of output) which, assessed in comparable prices, is 40 percent more than for January-September 1990. Every fifth enterprise failed to cope with contract commitments while in the chemical and timber and metallurgical complexes the figure was every second enterprise and in the fuel and energy complex every third enterprise.

The reduction in volumes of production of the majority of types of output and the instability of economic contracts are not promoting the development of economic ties between the republics. Intergovernment agreements are not being fulfilled completely. In the first six months of the year the RSFSR met only one-third of its commitments for the year for the delivery of coal, rolled ferrous metal, and commercial timber to other republics. At the same time considerably more than half of the commitments for the year under agreements and contracts were met for the delivery of output were met for a number of republics.

The republics are also failing in many respects to fulfill intergovernment agreements for the import of output to the RSFSR. In the first half of the year the Ukraine delivered only 35 percent of the volume of rolled ferrous metal envisaged for the year and 10 percent and less of the steel pipes, truck and passenger car tires, and excavators. The Republic of Belarus is lagging behind in fulfilling commitments for the delivery of diesel fuel and truck and passenger car tires to the RSFSR. Azerbaijan, Lithuania, and Kazakhstan are considerably in arrears with regard to a number of types of output.

AGRO-INDUSTRIAL COMPLEX. The harvest of the main agricultural crops in 1991 will be lower than the average annual harvest of the past five-year plan and of last year. About 90 million tonnes of grain crops as weighed after processing will be harvested (on average over the years of the 12th five-year plan the figure was 104.3 million tonnes and in 1990 it was 116.7 million). The gross potato harvest is expected to be 30.5 million

tonnes and the vegetable harvest 10 million tonnes (last year the figures were 30.8 million and 10.3 million tonnes respectively).

The forming of state food stocks is proceeding with great difficulties. By 21 October the farms had sold 21.1 million tonnes of grain (23 percent of the amount threshed). The tax in kind has been met 48 percent. Compared with last year grain purchases have declined 36 percent. Some 94,000 tonnes fewer potatoes (2 percent), 1.2 million tonnes fewer vegetables (26 percent), and 203,000 tonnes less fruit (31 percent) have been purchased than last year.

Compared with the first nine months of last year the volumes of purchases of livestock and poultry and milk have declined 13 percent and egg purchases 7 percent.

The farms of the RSFSR Ministry of Agriculture and Food are experiencing a shortage of many types of raw material, materials, equipment, and fuel. Over the nine months there has been a shortfall in deliveries to the system of 1.5-7 percent of the most important types of petroleum products stipulated by contracts. In addition their delivery has been reduced 2-7 percent compared with the relevant period last year.

In 1991 the requests of kolkhozes, sovkhoses, and other farms were met with quotas of 14-39 percent for individual types of agricultural machinery, but even the reduced quotas are not being met. Compared with January-September last year the volumes of deliveries of many types of agricultural equipment have declined.

The programs for the social restructuring of the countryside are being implemented only slowly. The year's target for the construction of apartment blocks has been fulfilled 29 percent and the target for the construction of preschool institutions 21 percent and of general education schools 55 percent. Hard-surfaced internal farm roads have been laid over 14,300 km, including 7,900 km in the non-Chernozem zone of the RSFSR (48 percent of the target).

CAPITAL CONSTRUCTION. The volume of capital investments from all sources of financing on the territory of the RSFSR was reduced 7 percent compared with the first nine months of last year and totalled R127 billion.

In 1991 it is planned to commission 61 projects of special state importance. As of 1 October six had been commissioned.

Using all sources of financing, over 440,000 apartments have been erected with a total area of 27 million square meters, which is 17 percent less than for the first nine months of 1990, and general education schools with places for 255,000 pupils (19 percent less), preschool institutions with 71,000 places (28 percent less), hospitals for 8,600 beds (15 percent less), out-patient polyclinic institutions for 29,000 visits per shift (27 percent less), and clubs and culture centers for 32,000 places (18 percent less) were constructed.

TRANSPORT AND COMMUNICATIONS. General-use transport shipped 4.4 billion tonnes of freight, which is 9 percent less than in January-September last year. The volume of freight shipments by rail and sea transport declined 7 percent, by motor transport 9 percent and by river transport 10 percent. Pipeline transport pumped 10 percent less petroleum and petroleum products.

FOREIGN ECONOMIC TIES. The volume of exports was 48.2 billion foreign currency rubles (commercial exchange rate) and declined 26 percent compared with January-September last year. Oil exports fell 50 percent and deliveries of coal, petroleum products, ferrous and nonferrous metals, cellulose, paper, and many types of chemical products declined.

A further reduction in trade operations with the East European countries is to be observed. In January-September the volume of RSFSR exports to these countries declined 52 percent.

The volume of RSFSR imports was 30.6 billion foreign currency rubles and declined 47 percent compared with the first nine months of last year. The reduction in purchases of raw and semifinished materials abroad is complicating the situation in the light and food industries. Fewer consumer goods are being imported.

Official on 'Free Prices'

LD3110170691 Moscow TASS in English 1427 GMT
31 Oct 91

[By Viktor Petrenko]

[Text] Moscow October 31 TASS—"Free prices are necessary for entering the market, to soak up the 'hot money' the population has accumulated, amounting to about 200 billion rubles, for stimulating the flow of capital into production branches of the Russian economy," said Vladimir Zverkhovskiy, chairman of the State Committee for Prices attached to the Russian Ministry of Economics.

"However, the state should retain its control of prices for most important goods. We shall maintain state regulation of wholesale prices for major items of industrial production, mainly fuel and raw material. Purchase prices for a minimum necessary volume of farming produce and essential foodstuffs, as well as prices for children's goods, medicines, public utilities and municipal transport also will be regulated by the state," Zverkhovskiy told TASS.

"Following this variant, market prices will be predominant and they will rise considerably, but their general growth will be much less than in conditions of a hundred per cent free price approach, that is in case of full lifting of the state control," stressed the chairman of the Russian committee for prices.

Ministers Comment on Economy

LD0111103391 Moscow Central Television First
Program Network in Russian 1900 GMT 31 Oct 91

[From the "TV Inform" newscast]

[Text] In the meantime, Russian Labor Minister Nikolay Shokhin states that we have missed the period when we could have set up a competitive market, gotten rid of monopolies and carried out privatization, which would have established the mechanism for free competition, and would have slowed down price increases. Therefore, we are only left with the Polish "shock" option which means a fall in production, and unemployment.

Russian Economic Minister Yevgeniy Saburov sees the way towards competition as lying with the appearance of private owners. Private owners can only appear, however, when there will be free prices. In an interview for the RUSSIAN INFORMATION AGENCY, Saburov said that no one will invest his money in a product which is to be sold for a pitiful price which is the way it is presently done.

Responsibility of Soviet Foreign Ministry Viewed

Yeltsin Backs Kozyrev

OW3110210591 Moscow INTERFAX in English
1930 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Russia's President Boris Yeltsin has supported his Foreign Minister Andrey Kozyrev concerning the future of the USSR Foreign Ministry. Kozyrev said the other day that "the USSR Foreign Ministry in the present shape fails to meet the interests of either the Russian Federation or other republics, or the reformed Soviet Union". The USSR Foreign Minister Boris Pankin took it as a slip of the tongue for, as he said, prior to his trip to the Middle East "there was complete agreement on common goals, a coordination of efforts, and distribution of powers" between the central and Russia's ministries.

On Thursday [31 October] the position of the Russian Soviet Federated Socialist Republic president was explained by his press secretary Pavel [word indistinct]. The statement by Russia's Foreign Minister could not have been a complete surprise to his counterpart in the central government. Earlier B. Yeltsin had sent the USSR president proposals on curtailing the functions and the staff of the central Foreign Ministry.

The USSR Foreign Ministry should keep, in Yeltsin's opinion, consultative and coordinating functions since the brunt of foreign relations falls now on the republics.

Yeltsin Secretary Comments

LD3110223691 Moscow TASS in English
2132 GMT 31 Oct 91

[Text] Moscow October 31 TASS—"The position expressed by Russia's Foreign Minister Andrey Kozyrev was not to be unexpected to his union counterpart," Pavel Voshchanov, press secretary of the president of Russia, said in a statement handed over to TASS today. "Earlier, Boris Yeltsin had already sent similar proposals to the president of the USSR, envisaging in particular a substantial reduction in the union ministry functions and the size of its personnel."

"In the opinion of the president of the Russian Federation, a radical reform of all union diplomatic services should be effected in accordance with a qualitatively new role of sovereign republics which are taking the brunt of foreign policy relations."

"Mainly consultative and coordinating functions should be left within the competence of the union ministry. Only in that case, it may become a truly inter-republican agency acting in the interests and with the consent of each of the republics. Such an approach provides the best chance for an effective cooperation of the new community of sovereign states in the world arena."

Union agencies undergo a radical reorganisation. The Union diplomatic service will not avoid it either, Voshchanov said.

"It is necessary to come to realise this and carry out a radical reform of the Union's Foreign Ministry in a calm manner without unnecessary shake-ups that could disorganise our foreign relations, and making provision for the transfer of a larger proportion of its present functions to sovereign republics," Voshchanov pointed out.

Rutskoy Says Party Not Continuation of CPSU

LD011102791 Moscow TASS in English
1017 GMT 1 Nov 91

[Text] Moscow November 1 TASS—"A newly created Party of the Free Russia is not a continuation of the CPSU. It is a political force called upon for acting in support of the Russian president's radical reforms", Aleksandr Rutskoy, the Russian vice president and one of the leaders of a new party, said in an interview with "ARGUMENTY I FAKTY" (ARGUMENTS AND FACTS), a Soviet weekly.

"We are going to form a parliamentary party championing first of all the interests of our electorate. As far as an elector is concerned he can be a member of any party. The main thing is that he should be satisfied with our ideas. We do not intend to canonise the Marxist-Leninist teaching", Rutskoy stressed.

Democratic Russia on Party History, Agenda

OW3110200891 Moscow INTERFAX in English
1816 GMT 31 Oct 91

[Interview with Lev Ponomarev, cochairperson of the Coordinating Council of Democratic Russia and people's deputy of the Russian Federation, by Irina Inoveli; place, date not given; from the "Nation and Society" feature; transmitted via KYODO]

[Text] Last month Democratic Russia [DR], today's widest social and political movement in the republic, celebrated its first anniversary. Its founding congress was held in October 1990. On November 9 and 10, the movement will hold its second congress. In an interview given to our correspondent Irina Inoveli Lev Ponomarev, one of the co-chairpersons of the Coordinating Council of Democratic Russia and people's deputy of the Russian Federation, reviews the movement's one-year history.

Corr. [correspondent]: Many people say these days that Democratic Russia enjoyed its peak of popularity last winter and spring, when it was raising the masses to a struggle against the Centre. Do you share this view?

L. Ponomarev [L.P.]: No, I don't. This view is based on the fairly widespread assumption that a destruction programme is always more attractive and impressive than a construction one. I won't dispute the idea now, but I must say that within the first half of this year DR did more than just organise mass protest actions against the policies of the then Centre headed by President Gorbachev. Yes, the movement did spring up as a basically to oppose the CPSU. But we've done a little more than that. We wouldn't, for example, have been able to get our candidate elected president of the Russian Federation, overcoming all the resistance on the part of the former powers-that-be, if we hadn't had a certain degree of political maturity and good organisation. Within a fairly short period of time we set up centres to organise support campaigns for Boris Yeltsin in various cities and towns, both big and small. There was a coordinating centre in Moscow which was working round the clock. So we didn't confine ourselves to protest rallies even then although these also helped the movement attain its present role.

Apart from that, the DR group in the Russian Parliament has always been working very hard. It took a very active part, for instance, in drafting most of our basic legislation.

Corr.: What is the main task for DR today?

L.P.: Well, right on the first day of the Congress of People's Deputies, immediately after President Yeltsin made his speech setting out his radical economic programme, our Coordinating Council decided to launch a large-scale campaign to support it. The centres set up to support Yeltsin during his election campaign are now being turned into public committees to provide support

for his economic reforms. These networks, and if you bear in mind that there are DR branches in all the 88 principal administrative divisions of the Russian Federation (including the republics forming part of it) you'll have an idea of the scale of the campaign we are planning.

Corr.: Why don't Democratic Russia and the Movement for Democratic Reforms [MDR] act jointly?

L.P.: There was a time when both Shevardnadze and Yakovlev would come to meetings of our Coordinating Council. They suggested that we unite. But we thought we'd better remain a separate organisation. We actually offered to incorporate the MDR in Democratic Russia, but the MDR leaders refused. Afterwards most of the Moscow intellectual community gave preference to the MDR. This doesn't mean, of course, that we've lost all support amongst Moscow intellectuals, but we've failed to draw them into our movement on a mass scale. Things are different in the provinces, though. I think the reason was that some of the DR leaders in Moscow had been somewhat eccentric. This, on top of their extremism, put off a certain section of intellectuals. But at the same time we've had a considerable inflow of members from other strata of the population and have been setting up elected bodies everywhere.

Corr.: If you don't mind my asking you, what kind of conflict do you have with the Democratic Party of Russia [DPR]?

L.P.: You see, Democratic Russia was set up as a movement which could be joined both by individuals and political parties and public organisations. It was actually this that became the source of the conflict. The leaders of some of the parties said they wouldn't take orders from the central leadership. The leader of the Democratic Party of Russia, Nikolay Travkin, for example, believes that his party should reorganise our movement by turning it into a party, for any movement, he thinks, is too diffuse, amorphous and unstable. I would have thought you should leave the movement if there's something about it you don't like. But nothing doing. The Popular Concord bloc, in which the DPR plays the leading part, still considers itself part of Democratic Russia, though at the same time it is permanently arguing that the movement is outdated in its present form and ought to be turned into a party.

I'll just give you one example of our basic disagreements with the bloc. The DR Coordinating Council believes that a moratorium should be imposed on the borders of the former Union republics for the transitional period. The bloc, however, takes a different view: if a republic leaves the Union its borders should be revised. But this could lead to wars, it's a totally unacceptable approach.

There's another important issue on which we disagree. It is our deliberate policy that the movement should not be led by one person—we have a coordinating council to do the job, whereas the DPR has a single leader, which, I think, may be dangerous.

In my opinion this is simply a struggle for leadership, nothing else. We Coordinating Council members do believe that the movement should have a strict organisational structure and information system, but at the same time we insist that it should be preserved in its present form. Otherwise we may put off a lot of people who are active politically but don't want to join any parties. Eighty per cent of our members don't belong to any political party. Just look at the figures: the DPR only has 30,000 to 40,000 members, whereas DR has, according to different estimates, between 300,000 and 500,000.

Corr.: Why doesn't the Coordinating Council move that the DPR be expelled from the movement?

L.P.: Because the Moscow branch of the Popular Concord bloc is the only one that wishes to split up the movement and incorporate it within itself. The other branches don't take this stand.

Corr.: What are the issues your second congress is going to deal with?

L.P.: I expect the Russian government's programme will be worked out in detail by November 9 or 10. We'll discuss it and think what we can do to help carry it out. We are also planning to adopt a statute for the movement.

Local Affairs

Bashkiria Supreme Soviet on Presidency Issue

OW2810222291 Moscow INTERFAX in English
1950 GMT 28 Oct 91

[Transmitted via KYODO]

[Text] At its Tuesday [29 October] session in Ufa, the Supreme Soviet of Bashkiria will discuss the establishment of a republican presidency. RSFSR [Russian Soviet Federated Socialist Republic] People's Deputy from Bashkiria, Yuriy Beloglazov, told IF [INTERFAX] that the approval of this measure may be followed by Bashkiria's full secession from the Russian Federation.

According to him, opinion polls in Ufa and the second-largest city of Sterlitamak have shown that nearly 78% of the people reject separatism and will insist that the republic's future be decided by referendum.

Socialist Party of Bashkortostan Founded

LD3010154991 Moscow Radio Moscow World Service
in English 1300 GMT 30 Oct 91

[Text] A Socialist Party of Bashkortostan in the southern Urals has been founded in Ufa. The constituent congress approved the program, which says that the main objective of the party is the consistent advancement towards a humanitarian and democratic society. It does not dissociate itself from the present members of the Communist

Party of the Soviet Union. On the contrary, it believes that they should be the backbone of the new party.

The delegates of the congress approved the statement on their attitude towards Lenin and the memory of him. It demands ending a campaign of slander against Lenin and is against the removal of his body from the mausoleum on Red Square in Moscow. The delegates called on the people in the Republic to mark the 74th anniversary of the socialist revolution.

'Democratic Buryatia' Condemns Renaming Demands

PM2910113991 Moscow ROSSIYSKAYA GAZETA
in Russian 26 Oct 91 p 3

[TASS report under general heading: "Night's Teletype"]

[Text] A statement of the council of the "Democratic Buryatia" movement has been published in Ulan-Ude. This organization unites representatives of all parties and organizations of the republic irrespective of their different political orientations. In the document it has adopted the "Democratic Buryatia" council condemns the demands of the Buryat-Mongolian People's Party and the Buryat regional branch of the Democratic Party of Russia for renaming the republic, or to be more precise, for its former name of "Buryat-Mongolian" republic to be reinstated.

Buryat Supreme Soviet Elects Chairman

LD2410130491 Moscow Radio Rossii Network
in Russian 0200 GMT 23 Oct 91

[Report by correspondent Vyacheslav Shirokiy on the fifth session of the Supreme Soviet of Buryatia in Ulan-Ude]

[Text] Originally, 17 questions were on the agenda of the fifth Supreme Soviet session, but after a long and very difficult debate, deputies proposed discussing additional problems such as privatization of housing in the republic, partially amending the composition of the Council of Ministers, and examining the question of the Republic's representation and the composition of the deputies' groups in the supreme soviets of the USSR and Russian Soviet Federated Socialist Republic. The parliament presidium also tabled for deputies' judgment another rather important question—that of renaming Buryatia the Buryat-Mongol Republic—but by a majority of votes this proposal was rejected. In the opinion of many deputies, now is not the time for engaging in nonsense, and that is how they assessed the question of names at a time when people have nothing to eat.

One of the main subjects of debate in the overall work of the session is the election of the chairman of the Supreme Soviet of the Republic: 110 out of 154 deputies voted for Leonid Vasilevich Potapov, former acting chairman of a committee of the Supreme Soviet of the Republic. Deputies heard a report on the work of the

Extraordinary Commission for Food delivered by the chairman of the Council of Ministers of Buryatia, Vladimir Saganov. According to experts, discussion of the debate will take several days because a lot of problems have built up in the republic.

Yeltsin Decree on Checheno-Ingushetia

PM3010154191 Moscow ROSSIYSKAYA GAZETA
in Russian 29 Oct 91 p 1

["Decree by the President of the Russian Soviet Federated Socialist Republic On the Powers of the Russian Soviet Federated Socialist Republic Presidential Representative in the Chechen-Ingush Republic"—ROSSIYSKAYA GAZETA headline]

[Text] To strengthen law and order and legality, reinforce the constitutional system, and preserve interethnic peace and the Chechen-Ingush Republic's unity and integrity, and in compliance with Point 2 of Russian Soviet Federated Socialist Republic [RSFSR] Presidential Decree No. 75 dated 22 August 1991 "On Certain Questions Relating to the Activity of Organs of Executive Power in the RSFSR," I resolve:

1. That A.B. Arsanov, RSFSR presidential representative in the Chechen-Ingush Republic:

take all measures stipulated by the law to implement the RSFSR Supreme Soviet Resolution of 24 October 1991 "On Holding Elections for the Supreme Organs of State Power in the Chechen-Ingush Republic";

ensure the implementation of the proposals contained in the RSFSR president's address to the leaders of the Chechen People's All-National Congress Executive Committee dated 19 October 1991.

2. That A.B. Arsanov, RSFSR presidential representative in the Chechen-Ingush Republic, be empowered to coordinate the actions of all organs of executive power in the Chechen-Ingush Republic during the period of stabilizing the sociopolitical situation in the republic.

3. That all leaders and officials of ministries, departments, and other organs of executive power in the Chechen-Ingush Republic assist the RSFSR presidential representative in performing all the duties assigned to him.

4. The decree comes into force from the moment of signing.

[Signed] RSFSR President B. Yeltsin

Moscow, the Kremlin

[dated] 25 October 1991.

Election Day Picket at Grozny Military Unit*PM3110143191 Moscow KRASNAYA ZVEZDA
in Russian 30 Oct 91 First Edition p 5*

[Correspondent Major A. Ivanov report: "Armed Picketing of Military Unit"]

[Text] For almost 24 hours the directorate of a military unit in Grozny was under the indefatigable control of an armed group of people. The armed picket was mounted opposite the main gate. Unit commander Colonel V. Isayev was told that this was merely a precaution in case servicemen tried to come out into the city and exert pressure in any way on the course of the election.

Major General of Aviation Ye. Maloklyuyev, acting chief of the Air Defense Forces Main Staff, reported to the editorial office that the air defense units and subunits stationed on the territory of Checheno-Ingushetia have been given rigid instructions not to interfere in the republic's affairs. Such an action to put strong-arm pressure on servicemen, the general believes, cannot help to stabilize the situation.

Chechen Council Rejects 27 Oct Elections*LD3010222791 Moscow All-Union Radio First Program
Radio-1 Network in Russian 1700 GMT 30 Oct 91*

[Text] The interim Supreme Council of the Chechen-Ingush Republic declared today that the elections held on 27 October were completely fabricated because the majority of voters boycotted them. The appeal of the interim Supreme Council to the peoples, parties, movements, and workers' collectives says that not a single decree issued by so-called President Dudayev, and not a single instruction from the parliament of the Chechen Republic has legal power and should not be implemented. The appeal states that otherwise the council will be forced to take measures according to the laws in force in the Chechen-Ingush Republic.

Official Results Reported*OW3110171691 Moscow INTERFAX in English
1430 GMT 31 Oct 91*

[Transmitted via KYODO]

[Text] The retired air force General Johar Dudayev, chairman of the Chechen People's National Congress, won 85% of the votes in the republic's presidential election held Oct 27. The official results were announced on Wednesday, Oct 30, on the local television. It was also announced that the election was attended by 490,000 people—about 77% of the electorate. The Russian Federation's Supreme Soviet declared Oct 24 that the election "had no legal ground".

Meanwhile the newly-elected president of the Chechen republic Johar Dudayev confirmed his allegiance to democratic principles and to his republic's sovereignty.

In his address to the people on the local television Oct 30 he said that the Ingush half of the population had "all paths open to them". "They can join us if they wish to do so" he added. (The Ingush population stayed away from the election of Oct 27 and rejected Dudayev as president of the Chechen Republic. They adhere to the former situation of an Checheno-Ingush republic within the Russian Federation).

Chechen-Ingush 'Political Confrontation' Grows*LD0111020891 Moscow TASS in English 2252 GMT
31 Oct 91*

[By TASS correspondents Sharip Asuyev and Aleksandr Kharchenko]

[Text] Grozny November 1 TASS—The political confrontation has grown in Chechen-Ingush since the first presidential elections in the republic last week. The majority of its residents voted for Dzhikhar Dudayev, 47, former Soviet Army major general.

The GOLOS CHECHEN-INGUSH newspaper on Thursday [31 October] published telegrams from political leaders congratulating Dudayev on the victory. Among them are Georgian President Zviad Gamsakhurdia and David Vardanyan, head of the Armenian parliamentary commission.

Observers from Georgia and Estonia said no violations were registered during the elections.

The Chechen interim supreme council released an appeal saying "the elections are anti-constitutional and their results are invalid. Despite the fact that the majority of voters in Chechen-Ingush boycotted the elections, the illegal central electoral commission cheated the results".

"In accordance with the resolution of the interim Supreme Council, we will hold elections to the Chechen-Ingush parliament," Badrudi Dzhamaikhanov, an opposition member, told TASS.

He said the council will take measures to avoid civil conflicts and will coordinate its activities with all public movements and parties.

Checheno-Ingushetia Opposition Forms Militia*PM3010163091 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 2*

[Ali Kazikhanov report from Grozny under the "Direct Line" rubric: "People's Militia Being Formed"]

[Text] The 27 October elections of the president and parliamentarians of the Chechen Republic further inflamed the tension in Checheno-Ingushetia.

According to the Central Electoral Commission, approximately 55 percent of voters on the roll took part in the vote. The majority of them voted for D. Dudayev, leader

of the All-National Chechen Congress Executive Committee. The opposition states that this figure is overstated by two because the electoral commissions were made up solely of representatives of the All-National Chechen Congress Executive Committee, thus providing the opportunity for falsification. At the same time it is admitted that it was the remote areas of the republic that supported the "rebel general."

Dzhakhar Dudayev himself, at his first press conference as president, stated that the Chechen Republic has the support of Georgia and the Baltic republics, warned of the difficulties ahead, and spoke of his readiness for conflict with Russia, since he does not intend to betray the freedom and sovereignty of the new state formation.

The opposition is moving from words to deeds. On the initiative of the Provisional Supreme Council of the Chechen-Ingush Republic and the democratic movement "For the Preservation of the Unity of Checheno-Ingushetia," the formation of a people's militia has begun. The combat detachments' staff has occupied the oblast trade unions council building. In Grozny some 500 people have already enlisted in the militia. Larger detachments are being formed in rural districts. There is apparently no shortage of weapons. There are reports of armored carriers and other heavy equipment with which the opposition combat detachments will be equipped.

Chechen Congress To Establish Caucasian Party

LD3010120491 Moscow Central Television First Program Network in Russian 2141 GMT 29 Oct 91

[From the "Television News Service" program]

[Text] According to a RUSSIAN INFORMATION AGENCY report, an organizing committee has been formed in Grozny, the Chechen-Ingush capital, to establish the Caucasian Independence Party [Partiya Nezavisimosti Kavkaza]. According to a Chechen National People's Congress spokesman, the party will be proclaimed at a congress of the mountain peoples of the Caucasus in November expected to be held in Sukhumi.

Grozny TV Center Seizure Reports Denied

LD2910215591 Moscow Central Television First Program Network in Russian 1900 GMT 29 Oct 91

[From the "TV Inform" newscast]

[Text] Our correspondent in Grozny, Ratmir Ilyanov, reports that information on the seizure of the Grozny Radio and Television Center by the National Guard carried in NEZAVISIMAYA GAZETA today is not true. According to our correspondent's information, which he obtained at the executive committee of the Chechen Congress, Special Purpose Militia Detachment units have been brought into the republic in the last two weeks in small subunits. They number about 800 people.

Komi Claims State Enterprises in Republic

LD2910220191 Moscow All-Union Radio First Program Radio-1 Network in Russian 1630 GMT 29 Oct 91

[Text] All state enterprises, organizations, and institutions which are situated on its territory have been announced the property of the Komi Soviet Socialist Republic. This decision has been made by the republic's Supreme Soviet. At the same time the republican government was instructed to decide which of them will be transferred into use and operational management by the Russian Soviet Federated Socialist Republic Council of Ministers. For this it is planned to form a special delegation which will hold talks with the Russian leadership.

Deaths Reported in Kuzbass Mine Explosion

924A0128B Moscow TRUD in Russian 29 Oct 91
p 1

[Article by Yu. Kotlyarov: "Another Mine Catastrophe"]

[Text] Kemerovo—A powerful explosion thundered out yesterday at 0630 during mine drilling operations at the development face of the Karagaylinskaya Mine of the Kiselevskugol Association in the Kuzbass. In eight minutes a detachment of mine rescue workers had rushed to the site of the disaster. Although there was little destruction from the explosion, the mines were filled with gas. By 1125 the rescue workers had discovered in various locations the bodies of six victims: the mine foreman, an explosives specialist, two drilling technicians, a mine worker, and a drilling trainee. A special commission will explain the causes of the misfortune.

The death toll since the beginning of the year at Kuzbass coal enterprises has already reached 75, including 11 killed in October. Bitter as it is to acknowledge, the causes of the majority of these incidents continue as before to be a quite flagrant disregard for safety procedures and poor production and technological discipline.

Moscow City Government Holds Session

LD2910194491 Moscow All-Union Radio First Program Radio-1 Network in Russian 1500 GMT 29 Oct 91

[Summary] The Moscow city government met today. A new system of executive power bodies has been created and has already come into force, but there are certain difficulties in certain prefectures. For instance, the problem of cadres has not yet been resolved in western, northwestern, and southwestern prefectures. Another acute problem is unemployment. The number of unemployed people in 1992 was announced by Igor Zaslavskiy, general director of the employment center. One-sixth of Moscow inhabitants will be out of work in 1992.

North Ossetia Adopts Appeal Over South Ossetia

LD2410113291 Moscow TASS International Service
in Russian 1825 GMT 23 Oct 91

[By TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 22 Oct (TASS)—Issues concerning the sociopolitical life of the Republic were debated at the session of the Supreme Soviet of the North Ossetian Soviet Socialist Republic [SSR], which ended today. An appeal from the session of the South Ossetian Oblast Soviet of People's Deputies to the North Ossetian parliament gave rise to a particularly stormy discussion. In this appeal people's deputies of the autonomous oblast, given the acute deterioration in the sociopolitical situation, request that the matter of South Ossetia joining the Russian Federation, and of the unification of the territories of the North Ossetian SSR and the South Ossetian autonomous oblast, be raised at the Russian parliament.

The Supreme Soviet session of the North Ossetian SSR by an overwhelming majority adopted an appeal to the president and parliament of the Russian Soviet Federated Socialist Republic [RSFSR] containing a request for the matter of the situation in South Ossetia to be included on the agenda of the forthcoming RSFSR Congress of People's Deputies. A resolution adopted by the Supreme Soviet of the North Ossetian SSR talks of forming a delegation to start negotiations with the state structures of the Republic of Georgia, aiming at reaching agreement on a cease-fire on South Ossetian territory. It also contains an appeal to the world community asking for assistance in ending the genocide of Ossetians in the Republic of Georgia, in settling the conflict in South Ossetia, and in asking the United Nations to send observers and experts to South Ossetia and regions of Georgia to investigate human rights violations.

St Petersburg Mayor Urges End to Aid

LD3110191391 Moscow TASS International Service
in Russian 1213 GMT 31 Oct 91

[By TASS correspondent Lyudmila Fomicheva]

[Text] St. Petersburg, 31 Oct (TASS)—"Tackling the questions of defense, an integrated energy system, and financial obligations to foreign countries demands the preservation of the country's unity," Anatoliy Sobchak, the mayor of St. Petersburg, believes. In this regard, he feels the G-7 states could "positively influence these processes." The mayor believes the provision of humanitarian aid to the country has to be stopped since it is inexpedient, it requires a special distribution system and the involvement of hundreds of thousands of people, it does not tackle the food problem, and it humiliates the individual. He proposed that food surpluses in Western countries be sold in our country for rubles and that the money raised be put in an investment fund, credits from

which may be given to Russian farmers and entrepreneurs. Such aid may be used as a powerful stimulus for developing the economy and for improving the agricultural complex.

Anatoliy Sobchak expressed these thoughts in a conversation with Japanese Deputy Finance Minister Chino Tadao, who was taking part in a conference of financial leaders of the G-7 in Moscow and is now analyzing the economic situation in the Soviet Union. "We have conducted in-depth, frank talks with the leaders of the 12 republics of the Union and have arrived at the need to sign a 'memorandum of understanding.'" "The results of the conference convinced us that after dividing up the Union-wide debt between the republics, your country will be solvent," he told the mayor.

"I am a supporter of an economic Union," the mayor of St. Petersburg stressed again, "with a single leadership of the army, a single foreign ministry, and an integrated energy system, communications, and transport. It is necessary not to be a dreamer and to understand that the republics need years to develop an autonomous economy."

St. Petersburg Checkpoints To Prevent Exports

LD0111095491 Moscow Radio Rossii Network
in Russian 1800 GMT 31 Oct 91

[Text] Checkpoints to prevent the export of food from St. Petersburg will be established on the city's borders by order of the city's mayor, Anatoliy Sobchak. Licenses for the export of food can be obtained from the food committee at the mayor's office.

'Liberalized Procedure' for Visas Reported

OW3110023291 Moscow INTERFAX in English
1500 GMT 30 Oct 91

[Transmitted via KYODO]

[Text] The St Petersburg office of the USSR Foreign Ministry suggested on Wednesday that a liberalized procedure of granting entry visas to foreigners should be established in the region of St Petersburg. Officials from the local department of the USSR Border Protection Troops, St Petersburg's customs service committee, and Department for Supervising the Zone of Free Enterprise welcomed this initiative and agreed upon several measures aimed at establishing a free regime for granting visas early next year.

As IF's [INTERFAX] correspondent was told at the St Petersburg office of the USSR Foreign Ministry, there are plans to begin with opening consular posts in the city of Vyborg on the border with Finland and at St Petersburg's airport and seaport. At first, visas will be granted only to foreign businessmen invited by the city's industrial or commercial structures, and later to other applicants. Consular fees for granting visas will amount to 90 hard currency rubles.

St Petersburg Groups on Oct Revolution Parade

OW3010005691 Moscow INTERFAX in English
1500 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] A number of prodemocracy organizations in St. Petersburg, including the DEMOCRATIC RUSSIA movement and the Democratic and Christian Democratic Unions, intend to prevent the holding of festivities on Revolution Day, November 7, to hail the restoration of the city's historical name.

Democrats say they cannot allow St. Petersburg people "to indulge in merry-making, as the Mayor's Office suggests, on the day of national tragedy."

The organizing committee set up by prodemocracy activists has notified the Mayor's Office of its intention to hold, alongside the festival, a series of mourning rallies and marches, and to mourn the victims of the communist regime throughout November 6, 7, and 8.

Talks on Bilateral Treaty With Tatarstan End

LD2910002691 Moscow TASS in English 2136 GMT
28 Aug 91

[By TASS correspondent Nikolay Sovokin]

[Text] Kazan October 28 TASS—"Our talks regarding the conclusion of a bilateral treaty in Moscow with Russian Federation State Secretary Gennadiy Burbulis were held in an atmosphere of complete understanding," Tatar Vice President Vasily Likhachev told TASS today.

According to Likhachev, the two delegations discussed, in a businesslike constructive atmosphere, a wide range of issues aimed at fostering economic cooperation between the two republics. The sides confirmed their readiness to draft and conclude a bilateral agreement.

The heads of delegations agreed to set up intergovernmental bodies to work on matters of mutual interest, including ownership, taxes, and utilisation of natural resources.

The third round of official meetings in the capital eased tensions that existed between the republics. All is set for drafting an economic agreement to be signed by Russian and Tatar presidents within a month.

Tuva Supreme Soviet Chair on Mongolia Dispute

LD2710195591 Moscow TASS International Service
in Russian 0531 GMT 26 Oct 91

[By TASS correspondent Vasily Danilenko]

[Text] Kyzyl, 26 Oct (TASS)—Questions relating to territorial disputes between Mongolia and the Republic of Tuva may be resolved with the help of intergovernmental commissions and in complete accordance with the Constitution, which places such problems within the

competence of Russian and Union administrative bodies. This was stated in his first address before local deputies by K. Bicheldey, the newly elected chairman of the Supreme Soviet of the Republic of Tuva. He stressed, moreover, that he recognizes only political paths and methods for resolving disputes over the state border.

TASS Reports Cherkess Republic Proclaimed

PM2910112991 Moscow ROSSIYSKAYA GAZETA
in Russian 26 Oct 91 p 1

[TASS report: "Republic of Cherkessia Proclaimed"]

[Text] The congress of Abaz and Cherkess people's deputies of all levels ended late last night in the multi-national Karachayevo-Cherkess Soviet Socialist Republic [SSR] with the proclamation of the Republic of Cherkessia within the Russian Soviet Federated Socialist Republic [RSFSR].

The Abaza and Cherkess have been linked for centuries by ties of good-neighborliness with all peoples of Karachayevo-Cherkessia, which a few months ago the RSFSR Supreme Soviet promoted from an autonomous oblast to a republic within the RSFSR. Differences arose, however, during the subsequent discussion of the future structures of management in the republic. Representatives of Karachay are insisting on the election of a unicameral republican Supreme Soviet with a quota dependent on the numerical strength of all peoples living on the territory of the Karachayevo-Cherkess SSR. Neither the Abaza nor the Cherkess agreed with this. With this approach they would have received considerably fewer deputies' seats in the organs of power than the initiators of the unicameral parliament.

The people's deputies who participated in the congress believe that the proclamation of the Republic of Cherkessia guarantees the numerically weak Abaza and Cherkess peoples' genuine independence and ensures their legal protection.

Jewish Region To Become Autonomous Republic

OW3010005791 Moscow INTERFAX in English
1710 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] The Soviet of Peoples' Deputies of the Jewish autonomous region has adopted a declaration according to which the region will become an autonomous republic with Russian Federation subject status. A final decision on the matter will be made by the RSFSR [Russian Soviet Federated Socialist Republic] and USSR presidents.

International Affairs

Official Says Kurils 'Within Sphere' of Talks

LD3110043891 Moscow Radio Rossii Network
in Russian 0200 GMT 31 Oct 91

[Text] The Kuril Islands of Habomai, Shikotan, Kunashir, and Iturup will be within the sphere of talks with Japan, Georgiy Kunadze, Russian Soviet Federated Socialist Republic [RSFSR] deputy foreign minister, said in an interview in the latest edition of NOVOYE VREMYA weekly. Kunadze recently visited Sakhalin Oblast with a delegation of deputies. He said that the delegation met residents of the Kuril Islands and expressed the Russian Foreign Ministry's point of view, adding that in our view this is the position which the Russian Government shares. It would be very easy and tempting to tell Kuril's residents that the territorial question simply does not exist, thus ending it, the deputy minister said. He stressed, however, that we have decided not to act against our consciences and tell the truth. Kunadze said that he is not in favor of handing over these or any other territories to the Japanese or anyone else. At the same time, however, as opposed to other politicians, he does not see the possibility of escaping from those historic and political realities which we simply must consider if we want to build a law-abiding state.

Fedorov Links Kurils to Far East Republic

OW3110212291 Moscow INTERFAX in English
1930 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Valentin Fedorov, the head of the administration of the Sakhalin region, has said that the issue of the creation of a Far East republic and its separation from Russia depends entirely on the solution of the problem of the Kuril Islands. "In general I am against the creation of this republic and for an undivided Russia", he said in an interview with "Interfax" correspondent Marina Chernukha. "However, if Russia decides to return the Kuril islands to Japan the Far East republic will do all in its power to prevent this from happening".

As far as Yeltsin's crisis programme is concerned, Fedorov said that it was by no means the optimum solution. "Nevertheless, it is better than no programme at all", he added. "For that reason I will vote to give Yeltsin his emergency powers".

Relations, Cooperation With Norway Discussed

LD3010205191 Moscow TASS International Service
in Russian 1806 GMT 29 Oct 91

[By TASS correspondent Sergey Neshumov]

[Text] Oslo 29 October (TASS)—Prospects for developing Russian-Norwegian relations were discussed at a meeting between Norwegian prime Minister Gro Harlem Brundtland, and Igor Gavrilov, Russian Soviet Federated Socialist Republic [RSFSR] deputy prime minister, which was held in the Norwegian capital today.

In the conversation with the Soviet representative, the head of the Norwegian Government stressed Norway's interest in expanding political and economic cooperation with Russia and in joint resolving of ecological problems on the Kola peninsula. The sides gave a lot of attention to the territorial argument between Norway and the USSR on the division of the continental shelf in the Barents Sea. Questions of Russia's participation in negotiations on this subject and an opportunity of organizing a Russian-Norwegian commission in addition to a Soviet-Norwegian commission, which already exists on this problem, were discussed.

The meeting with the head of the Norwegian Government was the final item in the program of a short visit to the Norwegian capital by a group of Russian leaders and economists, headed by I. Gavrilov. They were invited by Norway's export council and "Scanruss" company to a seminar on issues of the development of Russian-Norwegian economic cooperation.

About 150 representatives of business circles took part in the seminar on the Norwegian side. The seminar's participants focused on prospects for increasing Norwegian investments in Russia's economy and in developing northwestern Russia which borders Norway. They also discussed constructing a railway between Murmansk and Kirkenes and other issues of bilateral economic cooperation. Businessmen who spoke there noted the absence in the RSFSR of modern market structures and communications and pointed to the existence of bureaucratic barriers which greatly complicate the activity of foreign entrepreneurs.

I. Gavrilov pointed to high-grade deposits of bauxite, apatite, and diamonds in northern areas of Russia and to a possibility of their joint development. He noted the possibility of approving a new law on foreign investments in the RSFSR, which is intended to encourage an influx of capital from abroad. Speaking about the division of the continental shelf in the area of the Barents Sea, I. Gavrilov said that Russia is interested in removing all the problems in its relations with Norway and that this issue can be solved on a mutually beneficial basis in a few months.

Belorussia

Kebich Discusses Interrepublican Relations

OW3110195091 Moscow INTERFAX in English
1816 GMT 31 Oct 91

["Exclusive" interview with Vyacheslav Kebich, chairman of the Republic of Belorussia's Council of Ministers, by V. Novossadyuk; date, place not given; from the "Nation and Society" feature; transmitted via KYODO]

[Text] Corr. [correspondent V. Novossadyuk]: Belorussia was one of the first to decide to sign a cooperation agreement with individual sovereign republics. You have just signed an agreement of this kind with Moldova. What do you want out of this agreement?

V. Kebich [V.K]: This agreement on economic cooperation is the result of our talks with Moldova's premier Valeriy Muravskiy. Our republics have a good deal of common interests.

We signed our first economic cooperation agreement last year, and we became convinced that Moldova felt very strongly about compliance with its responsibilities.

Now we mostly use barter trade, but I believe that, as time goes, we will go over to free economic relations. One of the factors why we were interested in Moldova was that the upheaval in the Caucasus had cost us many major suppliers of vegetables, fruit, wine and other agricultural produce. Moldova is the republic that can supply these and many other products. On the agenda in both republics is the question of republican money. Our cabinet of ministers is opposed to introducing own money, but we may be forced to, as our neighbours are preparing covertly for the move. I support one currency, a single fiscal and budget policy and a common economic space (in the former Soviet Union). However, we must act on the assumption that the Ukraine and Russia may introduce own money, and in this case, we'll have no alternative to following suit. Our republic does not require to import food, but at the moment foodstuffs are flooding out of the republic. For example, all our cattle has been smuggled out. No customs can stave off the flood.

Moving to open the Polish-Belorussian border, we, at the same time, are sealing off our borders with the former Union neighbours. We have signed a corresponding agreement with the command of the border protection troops that remain under central jurisdiction but have to comply with all the instructions of Belorussia's customs services. Also, own money—we plan to have own money in place in some nine months—can help protect our market.

The first economic cooperation agreement was signed last year, and we have made sure that Moldova tries hard to comply with its responsibilities.

Back to our cooperation with Moldova. We plan to go over to free trade, not barter, between the republics. We are coming close to the terms of the agreement on economic cooperation that was initialled in Alma-Ata and signed in Moscow. The economic programmes of the Belorussian and Moldova's government are mutually complementary. Today we are seeking to retool our enterprises to produce the goods Belorussia itself needs.

The treaty does not in any way come in conflict with our relations with Moldova. In accordance with it, each republic has a right to establish relations not covered by the treaty with other republics. The fact that Moldova does not want to sign this economic agreement does not dampen our enthusiasm for bilateral relations. We signed a document in Moscow that is not politically binding on us. Generally speaking, I am an optimist, but I don't believe in the probability of a Union in the near future.

Corr.: And who else does Belorussia intend to sign an agreement of this kind? [as received]

V.K.: First of all, with the Ukraine, Russia and Lithuania. We want our agreements with them to cover the possible impact of nuclear power plants on Belorussia because these plants, those at Smolensk, Ignalina and Chernobyl, are located close to our borders. This has also been a factor behind our having signed an economic agreement in Moscow. Had we not signed the document, we would be left to fend for ourselves in the face of Chernobyl aftermath. This is why we worked so hard to have a clause saying: "the liquidation of the consequences of the Chernobyl accident," meaning that the other republics that had been left unscathed by the explosion would help us.

Corr.: Does the Supreme Soviet of Belorussia support the Cabinet of Ministers' measures for coping with the crisis in the republic?

V.K.: It is fashionable nowadays, not only in our republican parliament but also in those of other states to criticize only the government as, allegedly, the government is inert. But we, generally speaking, find common ground with our Supreme Soviet though we are occasionally subjected to severe attacks. One example is the Supreme Soviet's response to the government's recent progress statement for the previous year. But we are always the first to welcome well-grounded criticism.

Legislators Meet on Yeltsin Economic Program

LD0111030691 Moscow Russian Television Network
in Russian 1800 GMT 31 Oct 91

[From the "Vesti" newscast]

[Text] Yeltsin's economic program is being discussed in the capitals of the former Union republics. A closed session of the Belorussian parliament in Minsk was devoted to this. Parliamentary leaders told a news conference that, should Russia raise oil and gas payments to

world prices for the new Union's cofounders, Belorussia will respond in exactly the same way for those purchasing heavy BelAZ vehicles, Minsk refrigerators, Goriizont televisions, and other goods in short supply.

Moldova

Minister Reacts to Yeltsin's 'Ultimatum' Speech

LD0111101491 Moscow TASS in English 0925 GMT
1 Nov 91

[By TASS correspondent Fedor Angeliy]

[Text] Kishinev November 1 TASS— Moldavian National Economics Minister Konstantin Tampiza said some parts of Russian President Boris Yeltsin's speech generate bewilderment and concern, if not of a threatening nature to sovereign and independent states (former subjects of the USSR). He said that economically, the "ultimatum" nature of his speech could worsen relations between the sovereign states and Russia.

Tampiza emphasised Moldavia would respond to the Russian Government with its own counter-measures: everything we send to the Russian Federation will also be based on world prices. Other levers are also available: thousands upon thousands of Moldavian citizens work in several regions of Russia. Russia will have to pay for their work under international standards—in hard currency. "Transit routes via Moldavia, the gas main running to the Balkans, the supply of electricity to that part of the world, etc—all this will be used by us," Tampiza said.

Opening of Border With Romania Postponed Again

PM011115491 Moscow KRASNAYA ZVEZDA
in Russian 1 Nov 91 First Edition p 1

[Report from TASS, RIA, and correspondents column: "Planned Opening of Moldova-Romania Border Again Postponed"]

[Text] The opening of the border between Moldova and Romania, planned for 1 November, has for the second time been postponed indefinitely. The government of Moldova cites technical difficulties relating to the construction of six additional crossing and customs points. Under the Moldovan-Romanian accord, those who live or work on the territory of Moldova and Romania will have the right to cross the border freely at these points.

The real reason for the postponement of the date of the border opening, it has become known to RIA's correspondent from reliable sources, lies in fears that it will mainly be speculators from both countries who take advantage of the new right.

Ukraine

Shaposhnikov Visits Kiev, Meets Officers

PM011113091 Moscow KRASNAYA ZVEZDA
in Russian 1 Nov 91 First Edition p 1

["Direct Line" report by Colonel A. Polyakov: "Our Mutual Relations Are Developing Positively"]

[Text] On the last day of October USSR Defense Minister Marshal of Aviation Ye. Shaposhnikov was in Kiev. He met with Ukrainian Supreme Soviet Chairman L. Kravchuk and Ukrainian Defense Minister Colonel General of Aviation K. Morozov, and addressed officers of the Kiev Garrison and commanding officers of units and formations who had arrived for a session of the military council.

"Of course, the future of the Soviet Army was the subject of discussion everywhere," the USSR defense minister told our correspondent. "The situation should not be overdramatized. I met with mutual understanding in the Ukraine, and would even go further: Our mutual relations are developing positively."

By all appearances, it is premature as yet to dot all the i's concerning the choice of a single path in the reform of the Army and the creation of the republics' own Armed Forces. But it may be said confidently that no officer's or warrant officer's future can be cut short. In the next few days, the USSR defense minister said, there is to be a session of the USSR State Council at which many questions will doubtless be answered. Including questions relating to the development of the Armed Forces.

Kravchuk To Seek Economic Talks With Yeltsin

PM3110144191 Moscow KRASNAYA ZVEZDA
in Russian 30 Oct 91 First Edition p 1

["Direct Line" report by correspondent Colonel A. Polyakov: "L. Kravchuk Will Meet With B. Yeltsin"]

[Text] Kiev, 29 Oct—The Ukraine is experiencing an acute shortage of coal, gas, and gasoline—approximately 12 percent of the republic's energy capacities have been put in reserve. The chief reason, as deputies have pointed out, is that economic relations have not been arranged with Russia. Ukrainian Supreme Soviet Chairman Leonid Kravchuk believes that, in addition to a political treaty with Russia, an economic agreement must be concluded urgently. Having received parliament's "go-ahead" to talks with Russia, he said that he would get in touch with Boris Yeltsin in the very near future to discuss the date of their joint meeting.

A statement by the Ukrainian energy minister that not only the Ukraine but also the Union is unable to stop the Chernobyl Nuclear Electric Power Station working probably came as a surprise to many deputies. Account must be taken of the fact that the Union structures for the management of nuclear power have been messed up,

while republic ones have not yet been created, he emphasized. But this is not the chief thing. Stopping the station also entails technical problems, which can only be solved by the entire scientific potential of the world community.

Writers Union Criticizes Central TV Coverage

OW3010004691 Moscow INTERFAX in English
1950 GMT 29 Oct 91

[Transmitted via KYODO]

[Text] In an open letter addressed to Yegor Yakovlev, chairman of the All-Union TV and Radio Company, the Ukrainian Union of Writers demanded that the Ukrainian information blockade be stopped. Among those who signed the statement is Ivan Drach, the Rukh chairman. According to them, since Kiev proclaimed independence, Central TV's "coverage of the Ukraine has constantly been tinged with a barely concealed irritation. None of the Central TV broadcasts presents the situation in a favourable light, and all are steeped in suspicion and doubt though our political and economic situation is better than that in Russia."

According to the authors of the letter, the Russian TV presents a more restrained picture of the Ukrainian developments.

Candidate Chornovil Rejects Extremist Tag

PM3110154591 Moscow IZVESTIYA in Russian
29 Oct 91 Union Edition pp 1, 3

[Interview with Vyacheslav Chornovil, chairman of Lvov Oblast Soviet, by Anatoliy Druzenko; date and place not specified; first six paragraphs are introduction; last paragraph is editorial conclusion: "Vyacheslav Chornovil Starts To Contemplate Victory in Ukrainian Presidential Election"]

[Text] The Ukraine will elect its first president 1 December. There are an extraordinary number of candidates for this post, although only three have as yet been registered. One of them is Vyacheslav Chornovil, chairman of Lvov Oblast Soviet, who, in his view, has considerable grounds for claiming the victory although he is even now comparing this work to a Kamikaze mission.

Chess commentators say more definitely: White to play and win. However, there will hardly be a prophet today capable of foretelling who will be victorious in the Ukrainian presidential election 1 December.

One thing can be said now about one of the contenders—Vyacheslav Chornovil, chairman of Lvov Oblast Soviet: He is contemplating victory. There are more details on this below. And now a brief background to the conversation we are offering readers. Roughly a year ago I introduced IZVESTIYA's new correspondent Stepan Troyan to the Lvov leadership. The conversation with V.

Chornovil was almost off-the-cuff amid the fairly busy atmosphere brought about by drastic changes in the local corridors of power. I remember that I even wrote a brief commentary then entitled "New People in Power," which elicited an extremely trenchant response from readers (many people asked "point-blank: Why boost frenzied nationalists?").

This time we agreed to meet in advance and at the appointed time—almost a month later—we arrived in reception once again with our Lvov representative. There was no fuss, just the usual bureaucratic hush, worthy of the impressive reception area through which we had previously reached the obkom [oblast party committee] first secretary.

Instead of a welcome Chornovil unexpectedly clapped his hand to his throat: He had flown in from the Donbass late the previous evening; he had held preelection debates and lost his voice there. And at 1100 hours he had held a news conference, as always on Fridays. We had decided to meet right after the news conference.

...A weeping old woman was trying to tell a militiaman about her sick cow in the oblast soviet doorway. He was agonizing over where to send her with her problem. A few floors higher up a news conference was under way that also started with commonplace concerns. Journalists inquired about the progress made with agricultural work (an escalation in theft had been recorded in the fields—virtually everything out of doors had been swiped). The situation on the religious front had deteriorated again. A checkpoint had been opened on the Polish border (potatoes had been bought from the Poles and only trucks and vehicles carrying potatoes were traveling through the checkpoint; private operators were not allowed to pass, yet there were masses of people who want to go through)....

[Druzenko] Vyacheslav Maksimovich, how do you see the Ukraine in a year, or two, or five?

[Chornovil] That will depend on who is elected president. And what the new government is like. And what the "second-generation" Supreme Soviet is like. I am profoundly convinced that we cannot go far with this parliament. If a representative of the democratic forces is elected president, if he succeeds in forming a capable government, if market elements are rapidly set in train (how much time we have already lost here!), and if we succeed in holding talks on dividing up Union property with Russia and the other sovereign states, in resolving the problem of the Army, introducing a Ukrainian currency, and organizing a customs services—if all that proves possible, I think that in a year we will not only have our avowed independence but in fact a real independent state.

[Druzenko] I flew to Lvov from Vnukovo. What a mess at the airport! All the charm of Aeroflot is there to be seen. There are masses of people wanting to travel. From Russia to the Ukraine and vice versa. That causes so many problems today, and what about tomorrow? When

we draw the—real—borders, put up customs posts, and set up our own transport structures and airlines, what then? What about human relations? In other words, imagine the idea of Ukrainian statehood being implemented on an everyday level.

[Chornovil] Of course there are problems here—and considerable ones at that. Although, on the other hand, no one is about to sever kinship or other ties and complicate civilized contacts between people. I am generally opposed to "cast-iron" or, if you like, "neo-Bolshevik" borders between the Ukraine and Russia and between the Ukraine and the other sovereign states. We intend, on the contrary, to promote contacts and reduce all formalities to a minimum. Although there are politicians, particularly in the localities, who are not entirely reasonable in my view in trying to impose bans that are laughable and offensive. Is it really business when a person is forbidden to send a relative in another republic a parcel containing a piece of sausage or lard? Is the consumer market really being protected by doing that? On the one hand, food is being washed out of the Ukraine on a massive scale, yet we hound the man in the street over a can of stew! To return to your question, in principle I repeat: The Ukraine will be an element in an open Europe, retaining its former economic ties—on a mutually beneficial basis, of course.

[Druzenko] I hear what you're saying, but the comparison is not entirely apposite, nonetheless. At IZVESTIYA we realized very rapidly that it is easy to declare yourself independent. It is far harder to back up that independence economically.

[Chornovil] Rest assured, we have calculated what we gain from independence and what we lose. There are more pluses than minuses. But you must see the realities! The ties that took shape under the administrative-edict system are breaking down of their own accord in their old form. Former plans have virtually ceased to operate and elements of the notorious distribution system—allocations, quotas, and so on—are being destroyed. Although we realize that political independence does not preclude direct economic relations between the Ukraine and Russia and with the other republics. I am a confirmed opponent not only of a political superstructure—in the form of the Union, a community, or any other form—but also of an economic superstructure. The very idea presupposes the presence of some kind of command center. That is, the very idea of "space" contains the embryo of modified centralism. Yet we've already had that! I repeat, we want bilateral ties with Russia—that's logical! And the same with Belarus [Belorussia.] We may, I admit, not even have common economic interests with some people. We are not the only ones. Suppose some Central Asian republic refuses to deal with the Ukraine and strengthens its contacts with Afghanistan, for instance—they're welcome!

[Druzenko] Ukrainian politicians have now become appreciably more active on the international scene. There have been visits, meetings, and talks.... But they

are mainly going to West Europe, the United States, and Canada. Whereas, in my view, contacts with Russia in its new capacity are also very important. However, we are not seeing any activeness in this area.

[Chornovil] We've been talking about that for a long time now. But the talk cannot be put into concrete action. Although I do think that this is indeed a highly important matter. Needless to say, we must have more frequent meetings with Russia's leaders and discuss problems more vigorously. I, for instance, would gladly do that. If, of course, the other side is willing. [Chornovil concludes]

At present three Ukrainian presidential candidates have been officially registered—L. Kravchuk, chairman of the Ukrainian Supreme Soviet; V. Chornovil; and L. Lukanenko. But I believe that the number of candidates has topped 100. This is most likely due to the logic of the electoral legislation, which makes provision for the institution of self-nomination. That is probably why the list of candidates contains many people who are not very well-known in the political arena, and there are also plenty of pensioners and those who never work at all. But despite the varied "list of contenders" two main groups can be singled out. On the one hand, people who have previously held senior posts in the state and party hierarchy—L. Kravchuk and S. Gurenko. On the other, a group of leaders from the democratic wing and the national-liberation movement, people committed to the idea of Ukrainian statehood—V. Chornovil, L. Lukanenko, I. Yukhnovskiy, and I. Drach. This all promises a fierce, contradictory election campaign.

[Druzenko] It is well-known that Russia's democratic forces won an unconditional victory in the election and that the problem of preserving unity among the Democrats then arose. I think that the situation is somewhat different in the Ukraine. Everything indicates that the Democrats here are not united even before the election.

[Chornovil] You're right. In this respect we should learn from the Russians. They were able to rally around one leader. Incidentally, they also could have nominated various candidates, but they realized that only Yeltsin could win.

[Druzenko] Does this mean that the Ukrainian Democrats do not have an explicit leader? Why the mass of candidates at the start of the election campaign? Tactics? An emotional release? Personal ambition?

[Chornovil] We have a joke in our republic: Where there are two Ukrainians, there are three hetmans.... I think that we have succumbed to some kind of euphoria. In particular, because of the metamorphosis that has taken place with the Communist Party. Strange as it may seem, had it not been banned and had it continued to operate openly, Democrats might then have rallied around some candidate. At the same time political life is in turmoil, new parties—still small and feeble, but parties that already want their own candidates—are making themselves felt.

[Druzenko] In your view, are there substantial differences in the positions espoused by democratic leaders aspiring to the presidency? How different are they on the whole? Some are ardent revolutionaries by nature, while others are centrists....

[Chornovil] They also include people of liberal views and radicals. But I do not think that we have to choose between a liberal and a radical, much less a Communist. The Ukraine must elect a politician with enough sense and drive to really put the idea of Ukrainian statehood into practice. I think that it will be the man rather than the program that is elected. [Chornovil ends]

Extract from election biographical pamphlet: ...In conjunction with men of culture Ivan Svetlichnyy, Ivan Dzyuba, Ivan Drach, Yevgeniy Sverstyuk, Boris Antonenko-Davidovich, Les Tanyuk, Vasiliy Stus, Vasiliy Simonenko, Alla Gorska, and others, V. Chornovil initiated the national-liberation movement later dubbed the "sixties group."

As of spring 1965 oppression began in the workplace on KGB orders and in September of that same year V. Chornovil was expelled from postgraduate study following a protest at the "Ukraine" movie theater during the premiere of "Shadows of Forgotten Ancestors," a movie against the first wave of arrests among the Ukrainian intelligentsia; there then followed a series of searches and interrogations. In April 1966 he refused to give evidence at a closed political trial in Lvov and called the prosecutor and the judges criminals. He was immediately dismissed from the editorial board of the republic's DRUG CHITATELYA and sentenced to three months' forced labor that summer....

He worked as a technician on the Ukrainian Soviet Socialist Republic Academy of Sciences Carpathian expedition and then as an advertising instructor for the Kiev book trade administration. In March 1967 he got a job in Lvov as a Nature Conservation Society instructor.

He was arrested for the first time 3 July 1967 and sentenced to three years in jail 25 November by the Lvov Oblast Court.... After serving his sentence he continued his activity in opposition.... He got a job as a laboratory assistant at a weather station in the Transcarpathians, but the KGB intervened and he was dismissed once more. He worked for some time as a digger with an archeological expedition in the Odessa area. Then as a weighmaster at Sknilov Station in Lvov—until he was next arrested....

[Druzenko] Over the last few years former dissidents have come to power in Poland, other countries in East Europe, and even in what were once our republics. Russia stands apart in that respect; the democrats' movement was headed largely by members of the former party-state structures who, incidentally, played far from secondary roles in these structures. Things are different in the Ukraine. There are plenty of well-known members of the national and rights movements among the presidential contenders. In the past they were subjected to

repressions and put in camps, in short they suffered for their convictions. In your view, is the aura of a militant a powerful factor?

[Chornovil] Of course. People realize who's who. I hope that they realize that politicians who have come through that, yesterday's political prisoners, are prepared, if required, to once again sacrifice their personal well-being for the people's interests.

[Druzenko] During the recent news conference I noticed a curious detail. Many journalists wore blue and yellow badges on their lapels. One photographic correspondent even had a trident on his lens. All that in a former obkom where the ceiling is encircled by an ornamental design in the form of five-pointed stars. What peaceful coexistence. What about life? Will people of opposing views continue to coexist peacefully in the Ukraine? There are, after all, Ukrainians who fought in the Ukrainian Insurgents Army and Ukrainians who fought against them.

[Chornovil] I have always been afraid of malicious people. I am afraid of hatred—both in politics and in life. If we give vent to it, it will take us back to where we've already been. We must not allow manifestations of "neo-Bolshevism" in any guise. Foolish, hasty, overemotional appeals may cause great trouble. Unfortunately, there is that danger. In our revolutionary times people are becoming politicians too fast. Without sufficient political culture.

[Druzenko] Tell me frankly, did you imagine this turn of events in the Ukraine there in the camps, in exile?

[Chornovil] I am not of course a clairvoyant, but I did foresee this in general terms. Otherwise what point was there in fighting? It is said that there are analysts who have studied some of the current presidential candidates' previous work, speeches, and predictions. A "foresight factor" has even been determined, and I seem to have a higher rating than others.... [Chornovil ends]

The aforementioned news conference became particularly lively when the conversation turned to the ups and downs of the election struggle. In my view, some journalists precipitated events by asking questions like: "Mr. Chornovil, if you become president..." and so on. They asked, for instance, whether he would have Kravchuk as vice president if he won (the answer was negative). The "opposite" scenario also came up: Would he accept the vice presidency if offered it by a victorious Kravchuk (the answer was also negative). This set of questions also contained the following: Whom will you instruct to form a new government? Chornovil thought for moment and said something extremely typical: "I am already starting to contemplate a possible election victory, but I haven't yet thought about the members of my government."

[Druzenko] Did you or did you not contemplate an election victory from the very outset?

[Chornovil] Of course not. When my candidacy was put forward—and Rukh [the Ukrainian People's Movement

for Perestroika] was the first to do this, followed by others—I thought that I was faced solely with a propaganda task. I had no particular hopes of success. But I realized that taking part in the campaign would give me a chance to defend the idea of Ukrainian statehood. Both in the eyes of the former Union and before the whole world. What is more, there was also a personal motive. I do not know whom to thank for it, but I was "renowned" as an extremist, a rabid nationalist, a man of extremes, and so on. In actual fact I am the exact opposite. I hope that the election campaign will help people find out who Chornovil really is and what common sense means to him as a politician.

[Druzenko] When did you start contemplating victory?

[Chornovil] After the August coup in Moscow. It drastically changed the situation. The Communist Party was if not knocked out, then knocked down. It had no support among the masses, "iron discipline" receded, the fear of being "hailed up on the carpet" disappeared, a plenum or bureau could not be openly convened, and there were none of the former monolithic ranks. The upshot was that democrats' chances grew. So, in time it is quite possible that we will find a cozy spot for a monument to Yanayev. And if we're being serious, the very idea of a Ukrainian state has acquired new force.

[Druzenko] We've already talked about the ability to see into the future. Do you foresee the possibility of another coup?

[Chornovil] Why yes, I fully admit that possibility. But within the Ukraine. Admittedly, that is not a 100-percent certainty. If the democrats win the elections, if

we get a democratic parliament, then the kind of radical transformations will begin that will affect the interests of yesterday's nomenklatura even more drastically. The situation is quite difficult today. Inflammatory nationalistic stories are being put about (take the bugbear of forcible "Ukrainianization"). People are "playing" on religious clashes. Add to that the worsening of social problems with the move to a market economy.

[Druzenko] It looks as though you won't envy whoever is elected to be the Ukraine's president.

[Chornovil] Moreover, he has already been compared to a kamikaze pilot. Be that as it may, he will have a weighty cross to bear from the very outset.

From the editorial office: In view of the importance of the processes taking place in the Ukraine and the tremendous interest aroused by the election campaign under way there, we intend to regularly describe its ups and downs.

Minister Holds Talks on POW's in Afghanistan

LD2910125191 Kiev Radio Kiev in English 0100 GMT
29 Oct 91

[Text] Talks began in Geneva today between the state minister of Ukraine on issues of state security and extraordinary situation, Yevhen Marchuk. He will discuss with representatives of a number of international nongovernment organizations the possibility of their direct participation in clearing up the fate of 72 Ukrainians taken prisoner during the war in Afghanistan.

Armenia

Leaders Congratulate Ter-Petrosyan Election

Belorussia's Shushkevich

NC2910214191 Yerevan ARMENPRES International Service in Armenian 1215 GMT 28 Oct 91

["Text" of congratulatory message sent by the chairman of the Belorussian Supreme Soviet, S. Shushkevich, to Levon Ter-Petrosyan on his election as President of Armenia; date not given]

[Text] Esteemed Levon Ter-Petrosyan: I wholeheartedly congratulate you on your convincing victory at the elections. Through the will of your people you have become the acclaimed leader of Armenia. I sincerely wish you health, a happy term and new successes.

I hope that relations between our peoples and republics will develop according to mutual interests, attaining happiness and prosperity. I hope your political position is continuously supported so that the Armenian people may live in peace, friendship and reconciliation, proceeding on the path of a law-based state, of human freedoms and rights.

Georgia's Gamsakhurdia

NC3010050691 Yerevan ARMENPRES International Service in Armenian 1215 GMT 28 Oct 91

["Text" of congratulatory message sent by Georgian President Zviad Gamsakhurdia to Ter-Petrosyan on his election as President of Armenia; date not given]

[Text] Esteemed Mr. President: Please accept my sincere congratulations on your election as president of the Armenian Republic.

I am convinced that your endeavors in this lofty post will create a democratic society, new successes for your people on the road to a sovereign state, and strengthen friendly inter-state relations and cooperation between the Georgian and Armenian republics.

I hope that our countries' mutual understanding of fundamental contemporary issues will deepen through a correct and sincere political dialogue, and that this mutual understanding will play an increasingly important role in ensuring security and stability in Transcaucasia and a peaceful future for the peoples of the entire region.

Esteemed Mr. President, I wish you good health and success, and happiness and prosperity to the friendly Armenian people.

[signed] Zviad Gamsakhurdia, president of the Georgian Republic.

Blakhotin Murder Investigation Continues

92US0075A Moscow IZVESTIYA in Russian
25 Oct 91 Union Edition p 7

[V. But report on news conference given by unidentified military and Ministry of Internal Affairs officers in Rostov; date not given: "What Is Hidden Behind the Crime in Rostov?"]

[Text] Rostov-na-Donu—"Highly placed officials in Armenia are behind the murder of Colonel V. Blakhotin...." "The Internal Troops, who have been dragged into the undeclared and hopeless war in the Transcaucasia, must be withdrawn from there immediately...." These are the kinds of statements that were heard at a news conference in Rostov devoted to the course of the investigation of the act of terrorism.

In material under the headline "On a Philanthropic Trip. To Kill," IZVESTIYA (No. 90, 1991) described how on the morning of 8 April the deputy chief of the USSR Ministry of Internal Affairs [MVD] Administration for Internal Troops for the North Caucasus and the Transcaucasia, Colonel V. Blakhotin, was sitting in his car by the entrance to his home when there was a burst of automatic fire. The colonel was killed. His driver was wounded, and the criminal escaped....

The terrorists were soon arrested. Three turned out to be inhabitants of Stepanakert, one was from Yerevan, one from Rostov. The criminals had been equipped in such a way that there would be no "misfires." They had two Czech-made Scorpion automatics, a rifle with a telescopic sight, and a remote-controlled explosive device and electric detonators. The investigation established that they had studied various scenarios for the attempt. And the target was not Blakhotin but his chief, General Safonov.

During the course of the investigation many questions have been raised for the MVD. Many questions have also been raised for the military. The two decided to share their information with journalists. Thus, the news conference....

...We were informed that the armed bandits who committed the act of terrorism had already been detained in Yerevan in March by members of the militia while in possession of the equipment listed above. But... they were released. They were even allowed to keep the weapons and ammunition. Why?

Many questions have to do with a sixth participant in the crime, 17-year-old G. Borodkina from Rostov. The investigation has established that she had contact with the terrorists when working as a prostitute. It was she who tried to find out where the general was living. After the murder of V. Blakhotin she disappeared from Rostov and was found later in Yerevan. She was detained by the Armenian militia, acting on information received from Rostov. Two associates were detailed to deliver Borodkina to Rostov. A strictly limited circle of highly placed

workers in the Armenian Committee for State Security [KGB] and MVD knew about this mission. Then we have a chain of enigmas. A large group of armed civilians was moving about freely on the territory of the guarded airport, where the car belonging to the republic KGB deputy chief did not immediately arrive. They boarded the aircraft. It was learned that photographs and descriptions sent to Armenia by Rostov KGB workers somehow fell into the hands of these people, who were in the cabin with Borodkina. She obviously knew her rescuers. She (together with her escorts) was removed from the aircraft and spirited away to God knows where in a small car waiting right there under the wing of the aircraft. Later it moved off in an unknown direction and the escorts were ejected from it....

It later became known that this scene had been observed from the sidelines by People's Deputy Zoriy Balayan and the chief of the Armenian civil aviation company. When the important witness in the investigation had been taken away, they entered the cabin and occupied the front seats. Other examples were cited at the news conference that had enabled the investigating group to conclude that a link existed between the terrorists and the official structures in Armenia. And influential opponents of any settlement of interethnic relations are placing obstacles in the path of the investigation on republic territory.

As mentioned earlier, documents and travel warrants issued by the Amaras philanthropic society were taken from the terrorists. This society is engaged in the distribution of humanitarian aid sent to Armenia. Its center is located in Stepanakert. One of the colonels' murderers worked as a driver for the Yerevan branch of the society. Amaras has not issued any statement denying its involvement in the murder. And the investigators claim that a large sum of money from the society was used to procure drugs and girls for the terrorists. The Amaras leaders are avoiding any meeting with the investigators.

There was a second part to the news conference, in which officers, warrant officers, and enlisted men of the Internal Troops participated. Opening the news conference, the chief of the USSR MVD Internal Troops Administration for the North Caucasus and the Transcaucasus, Major General A. Kulikov, presented a diagram and graphics showing the losses that the Internal Troops are sustaining in the Transcaucasus. During the years of the undeclared and hopeless war, 86 servicemen and militiamen have died there. A total of 174 have been wounded. Some 451 civilians have been killed and 557 wounded. Populated points have been fired on hundreds of times. The losses are about equal to the U.S. losses during Operation Desert Storm.

This is the fourth year that the war has been going on in the Transcaucasus. Blood is being spilled. A. Kulikov reminded us that the USSR Supreme Soviet has declared a state of emergency in the region. But it has not had its own representatives there. The troops are a constant irritant and they have had to act alone against the armed

fighters from the two sides. The center has totally lost control of the situation. The undeclared into which the Internal Troops have been dragged has not only brought casualties but is also having a demoralizing effect on the servicemen. Volunteer soldiers are leaving without even waiting for the formalities of demobilization to be completed; more than 100 are on the run. They are told over and over again: Lads, you are carrying out your military duty! But there should be at least some payment for the risk. Who are they? Heroic internationalists? Or what...? Servicemen in the Internal Troops have been placed in a position in which they receive only miserly compensation if they are wounded. Many of the officers have no housing, and everyone lives badly. Per diem for trips to the capital is five rubles more than for going to... the theater of combat actions. But the wages of combat officers are lower than those of the inspector. The laws are written in such a way that the family of murdered Colonel V. Blakhotin will receive no kind of pension.

"The presence of a military force can resolve nothing," the general emphasized. "This war is hopeless. There will be no victors. The sides are trying to get at each other by using our backs as cover. We believe that the troops should be withdrawn from the hot spots. Although, as the Zheleznovodsk meeting showed, not all politicians share this viewpoint. But it is precisely by political methods that the problem here must be solved. And if we refuse to do this, the people will soon realize who is encouraging confrontation. Without the troops they are more likely to sit down at the negotiating table...."

Many military people spoke at the news conference. They noted that Blakhotin's death at the hand of terrorists seems quite regular to them. Moreover, the longer the troops remain in Nagorno-Karabakh, the greater the likelihood of an escalation of terrorism.

Azerbaijan

Law Issued on Creation of Armed Forces

LD3110143491 Moscow TASS International Service
in Russian 1320 GMT 31 Oct 91

[By AZERINFORM correspondent Viktor Shulman]

[Text] Baku, 31 Oct (TASS)—The creation of ground forces, air, and naval units is provided for by a law on the Armed Forces of the Azerbaijani Republic, which is published in the local newspapers today. Subordinate to the president of the republic, they are being formed to "defend its interests, sovereignty, territorial integrity, and independence."

The Armed Forces are being staffed on the basis of a call-up, voluntarily, and under contract. Eighteen months' active service is regarded as "a most important duty for a citizen of the republic." Women aged from 18 to 35 who have medical or other specialized education may also serve with auxiliary subunits.

Two years' alternative service is envisaged for men aged between 18 and 25 whose convictions prevent them from doing military service.

Republic Refuses Paying Portion of Soviet Debt

OW3110172291 Moscow INTERFAX in English
1430 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] At the recent meeting in Moscow between the premiers of 12 republics and the deputy-finance ministers of the 7 leading Western countries, Azerbaijan was asked to undertake 3% of the USSR foreign debt, as INTERFAX was told in the press service of the republic's Cabinet. Azerbaijan, however, declined the question.

The position of Azerbaijan on this issue—stressed the press-service—is that the republic never borrowed and has no intention to pay anything back.

Moreover,—went on the press-service spokesman—the Azerbaijani Government has assessed that over 74 years the republic has had a positive balance with the central government—on an average 2 bn [billion] foreign currency roubles annually.

So, the question is only about repaying debts to Azerbaijan—concluded the spokesman.

More Violence Reported in Nagorno-Karabakh

Six OMON 'Effectives' Killed

LD0111084891 Moscow Radio Rossii Network
in Russian 0700 GMT 1 Nov 91

[Text] Nagorno-Karabakh: A battle between Azerbaijani Special Purpose Militia Detachment [OMON] personnel and servicemen of the USSR Ministry of Internal Affairs Internal Troops flared up in the afternoon of 30 October near the rayon centre of Martuni in Nagorno-Karabakh.

According to an INTERFAX correspondent in Stepanakert, the battle arose as a result of OMON firing from the Azerbaijan settlement of Khodzhavend, adjacent to Martuni, on a detachment of internal troops. Later, the same OMON personnel fired on two Army helicopters, one of which was put out of action. During the exchange of fire that ensued, Armenian self-defense forces in the town of Martuni took action on the side of the military. The firing lasted all night from Wednesday to Thursday [30 to 31 October].

According to preliminary information from the office of the commandant of the state of emergency area, as a result of the armed clash, six OMON effectives were killed and two servicemen were wounded. General Vladimir Zhilkin, the recently appointed commandant of the state of emergency area in the Nagorno-Karabakh Autonomous Oblast, has left for Martuni.

Clashes Continue, Situation Tense

LD3110211591 Moscow TASS in English 2010 GMT
31 Oct 91

[By TASS correspondent Vadim Byrkin]

[Text] Stepanakert October 31 TASS—The situation remains tense in the Nagorno-Karabakh disputed enclave.

Azerbaijani extremists from the city of Agdam launched a missile attack last night on the Armenian villages of Khanabad and Khamort in Askeran district of Nagorno-Karabakh, destroying several houses. No injuries were reported.

Over 30 houses were destroyed by fire last night as a result of a shoot-out between Armenian and Azerbaijani guerrillas in the village of Tug in Gadрут district, the regional military commandant said.

Soviet Interior Ministry troops dampened down the conflict and took the local residents under protection.

Colonel Vasiliy Kushnerik, deputy military commandant, told TASS 19 have been killed and 20 wounded in the region over the past 15 days.

"We are like a fire brigade. The Interior Ministry troops can only put out the fire of armed conflicts in the region. But political measures should be taken to prevent them," Kushnerik said.

Parliament Urges Recognition of Independence

LD0111093391 Moscow TASS in English 1444 GMT
31 Oct 91

[By AZERINFORM-TASS correspondent Viktor Shulman]

[Text] Baku October 31 TASS—The Supreme Soviet of the Azerbaijan Republic continued its work today by discussing problems of vital importance for the republic's democratic reforms. The day before that the parliament adopted an appeal to the parliaments and governments of the international community, urging them to recognise the independent Azerbaijan Republic.

This document, published by the republic's mass media today, says that the Azerbaijan state, desirous of being a fully-fledged member of the world community, declares its adherence to universally accepted principles of the international law. It expects the reply step by members of the world community to be decisive for the Azerbaijan people's urge for freedom and democracy, for the implementation of indepth social and economic reforms in the republic.

International recognition, the appeal stresses, will allow Azerbaijan to make its contribution to the strengthening of mutual understanding and mutually advantageous cooperation with the peoples of the world.

The appeal to the United Nations organisation, also published today, says that the Azerbaijanian Republic declares its adherence to the United Nations charter and is prepared to assume all the attendant commitments. The Azerbaijanian Republic has applied for United Nations membership.

Observation Team Leader on Work, Role

LD3010201591 Moscow TASS in English 1608 GMT 30 Oct 91

[By TASS correspondent Vadim Byrkin]

[Text] Stepanakert October 30 TASS— "Despite the complexity of the situation in Nagorno-Karabakh and its comparative deterioration, the work of the team of observers must be continued and even expanded," head of the team of Russian observers, carrying out the decisions contained in the Zheleznovodsk Communiqué, People's Deputy of the Russian Federation Yevgeniy Kozhokin told TASS.

"Since clashes between the conflicting sides occur not only in Nagorno-Karabakh, but in other parts of the region, too, the presence of observers is also needed in those 'hot spots.' The local authorities and residents of both nationalities have repeatedly called for this."

According to Kozhokin, the population of Nagorno-Karabakh may become disappointed in the work of the observers, because no confidence-building measures have still been elaborated and the process of creating concrete mechanisms for carrying out the Zheleznovodsk Communiqué is much too slow.

"Both Armenia and Azerbaijan have now declared their independence. Representations of Russia must be opened in Baku and Yerevan in order to be able to deal with problems of inter-state cooperation," Kozhokin believes.

Georgia

Legislators Unanimously Reject Economic Area

LD0111024291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1700 GMT 31 Oct 91

[Text] At a sitting of the Georgian Supreme Soviet which finished in the early hours today, deputies unanimously voted against signing an agreement on a single economic area. Georgia's desire to remain a fully independent

republic remains the main argument against this treaty. This was reported by the STUDINFORM agency.

Parliament Opposes Economic Community Membership

OW3110145291 Moscow INTERFAX in English 1148 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] On Wednesday [30 October] the Georgian parliament discussed the attitude of the republic to the Treaty of the Economic Community.

According to IF's [INTERFAX] reporter in Tbilisi at the session Prime-Minister Vissarion Gugushvili analysed the situation in which Georgia will find itself if it signs the treaty and if it does not. Most members of the ruling Round Table for Free Georgia alliance as well as the opposition spoke against membership in the community. No final decision was made, though.

Gamsakhurdia Offers To Speak on Central TV

PM3110145791 Moscow IZVESTIYA in Russian 30 Oct 91 Union Edition p 2

["Direct Line" report by Besik Urigashvili: "Gamsakhurdia Willing To Appear on Central Television"]

[Text] Tbilisi—Georgia has been celebrating the anniversary of the republic's first multiparty elections. That was when the bloc of parties led by Zviad Gamsakhurdia came to power.

At a news conference to mark this President Gamsakhurdia said that the ruling bloc's most impressive achievements in its year in power have been to dismantle the communist system, set up democratic institutions of power, establish freedom of speech, halt the process of Russification of Georgia, enable young men to perform their military service at home, promote the free development of national culture, and put an end to the uncontrolled sale of Georgian land and demographic expansion.

Gamsakhurdia stressed once again that the center has unleashed a news war on Georgia. When asked whether he thinks it possible that he may take part in the Central Television program "Who's Who" to dispel the misinformation circulating about him and Georgia, he replied: "I am willing, but I am sure that Central Television will refuse to show such a program."

A rally was held outside the parliament building to mark this date. The opposition also held their own rally. The opinions which this rally voiced of the "Roundtable's" year-long rule were diametrically opposed.

Kazakhstan

Further Reportage on Nazarbayev Visit to UK

Views Ties, Russian Role, Arms

PM0111100391 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 5

[Correspondent A. Krivopalov report: "Kazakh President in Britain"]

[Text] London—"Britain was given an opportunity this week to meet a Soviet leader who possesses two rare qualities: He knows what he wants, and how to get it." That was the flattering opinion of the Kazakh president that THE DAILY TELEGRAPH, which is close to the government, gave on the day he flew into London.

During a conversation with journalists in the USSR Embassy, the president said that "previously the British did not know very much about Kazakhstan and its potential apart from the fact that it exists on the map." Owing to the republic's big plans, which envisage the conclusion of major contracts, he continued, "we need very informed advice from banks, including British banks, regarding training cadres and studying all problems pertaining to the market."

When asked about the future of the Tengiz oilfield, the president spoke of his intention to "bring this contract to its logical happy conclusion. My talks with British banks indicate that they will provide us with a skilled appraisal of this project."

On the day that N. Nazarbayev's visit to Britain began, B.N. Yeltsin issued a program statement at the Congress of Russian People's Deputies. The following question was a natural one: What could the Kazakh president say about the Russian leadership's plans?

This was the response: "Like me, Yeltsin signed the Economic Treaty. As far as I know, he has stuck to the idea that this treaty was vital until this very minute. I therefore hope that the actions taken by every leader who signed this treaty will be coordinated actions."

As we know, the future of the nuclear weapons deployed on the territory of what are now independent republics is arousing particular interest in the world (and Britain as well, needless to say). During his conversation with journalists N. Nazarbayev remarked: "I do not recognize individual republics' having control of nuclear weapons."

At the same time he said that Kazakhstan wants to keep abreast of things and take part in formulating the whole country's strategic foreign policy.

Opinion on Nuclear Weapons Cited

PM0111100191 Moscow IZVESTIYA in Russian
30 Oct 91 Union Edition p 4

[Unattributed report: "Nursultan Nazarbayev: Republic Defense Ministers and Not Moscow Must Control Nuclear Strategy"]

[Text] Kazakh President Nursultan Nazarbayev, who is paying an official visit to London, stressed at a news conference in the Soviet Embassy, TASS reports, that the republics acquiring independence and sovereignty will not cause the nuclear forces stationed on their territory to be "separated" into national units or introduce "joint control." "Kazakhstan was among the eight republics that signed the Economic Treaty, which says that unified control of the Army and nuclear arms will be retained in the unified economic space," he said. "Kazakhstan has introduced the post of minister for defense questions; this minister will be involved in deciding all questions of military policy, so that I do not recognize republics' individual control of nuclear weapons. At the same time we want to be involved in formulating strategic questions pertaining to the country's military policy." "So Moscow will keep control over the country's nuclear strategy?" the question followed. "Not Moscow, but the General Staff, which will be made up of the republics' defense ministers," the president replied.

Presidential Contender Kozhakhmetov Cited

PM0111145191 Moscow IZVESTIYA in Russian
1 Nov 91 Union Edition p 2

["Direct Line" report by Vladimir Ardayev: "Composer as President's Rival?"]

[Text] Alma-Ata—It looks as though a rival has appeared for N. Nazarbayev at the stage of the nomination of candidates for the post of Kazakhstan president—a 43-year-old Kazakh radio editor, composer Kh. Kozhakhmetov.

He has been nominated by the "Zheltoksan" national democratic party, which he leads. This political movement initially arose on the crest of the wave of the struggle for a review of the assessment of the events which took place in the Kazakh capital 17-18 December 1986 ("Zheltoksan" means "December") and for the rehabilitation of the participants in these events, who were subjected to repressions. Khasen Kozhakhmetov himself was also once convicted and served a prison term on political charges.

"My election program," he explained, "includes basic elements like the retention of the integrity and inviolability of Kazakhstan's borders, the abolition of military service and the creation of a national Army, and the reorientation of the republic's economy toward the agrarian sector."

According to Kh. Kozhakhmetov's "team," as of 31 October they had succeeded in collecting about 80,000 signatures in his support (at least 100,000 are required).

But, as K. Bukenov, chairman of the central electoral committee for the election of the Kazakh Soviet Socialist Republic president, explained, the actual nomination of Kh. Kozhakhmetov and the procedure for collecting the signatures are being conducted with a number of serious procedural violations of the law on elections.

Supply Problems Threaten Meat Farmers' Success

PM3110142791 Moscow Central Television Vostok Program and Orbita Networks in Russian 1630 GMT 28 Oct 91

[From the "TV Inform" newscast: Report by V. Glukhovtsev and V. Lazarevskiy]

[Text] [Glukhovtsev] There is no farm in Kazakhstan to equal this kolkhoz in terms of grain and meat production. You may not even find its equal in the whole country. See for yourselves. The kolkhoz's grainfields cover 10,000 hectares. The kolkhoz sells the state over 20,000 tonnes of seed grain. There are 12,000 steers being fattened up, plus 25,000 hogs and 150,000 sheep. Duck farming is highly developed here. The kolkhoz's poultry farm sells more than 3 million ducks. This highly energetic farm increases production year in year out. Nothing seems capable of halting its development. Yet there is something capable of doing this. Namely failure to deliver mixed feed.

[Twice Hero of Socialist Labor N.N. Golovatskiy, kolkhoz chairman] Our agrofirma can provide a great deal of meat today—up to 20,000 tonnes. But there are no guarantees whether there will be any feed or not. We know that the republic has difficulties. Nonetheless, ruining a farm that can provide such a large quantity of meat threatens people there with unemployment, people who have gotten accustomed to working to produce this meat. When we set this farm up, I'm not only talking about today, you realize that we've been tackling this for more than 30 years. We built everything; everything is ready.

[Glukhovtsev] But everything could fall apart.

[Golovatskiy] Yes, everything is falling apart before our eyes. It's not enough to cry about it and watch everything falling to bits. People are waiting for meat. It's hard that we're fattening up this livestock and then can't dispose of it. It's being overfed, you realize. Why's that? The livestock stands here for two months and we can't get rid of it. The meat combines aren't processing it.

[Glukhovtsev] The kolkhoz workers are currently trying to escape from this situation. Their feed workshop is working around the clock. But what will happen tomorrow? That is a question for the state organs who are obliged to provide the kolkhoz with feed. Otherwise the kolkhoz workers' long constructive work will go to rack and ruin. Only who is responsible for this?

Kyrgyzstan

Republic Germans Prepare To Emigrate to FRG

OW0111015491 Moscow INTERFAX in English 1430 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] Unless the issue of a German autonomous republic on the Volga is settled soon, the larger part of the German community in Kyrgyzstan will leave for Germany—as INTERFAX has been told by the chairman of the Soviet Germans' society "Resurrection" Constantin Emich.

About 85,000 Germans are living now in Kyrgyzstan. In the past two years mixed families have made up 65% of the emigrants, the initiative for emigration rising from the other side of the marriage. Villages account for 70% of the German community, but none of them have taken up land for family farming, all prefer to wait and see.

Earlier this month the Kyrgyz President A. Akayev called on the leaders of the "Resurrection" Society and the German enterprises' fund "Asia-West" to develop direct links with the FRG, to import farm machinery into the Kyrgyz Republic and create favourable conditions for farming in the German settlements.

Tajikistan

Agreement on Army Draft Details Cited

OW0111060691 Moscow INTERFAX in English 1700 GMT 31 Oct 91

[Transmitted via KYODO]

[Text] The Tajik Government has made an agreement in Dushanbe with the USSR Defence Ministry on army draft in the republic.

The service can be postponed for sole supporters in their families, for shepherds, for college students (not corresponding ones), also those young men whose brothers died in the army service. Engineer troops will serve in their own republic.

A similar agreement has been signed today, Thursday, with Uzbekistan.

Uzbekistan

Economic, Trade Treaty Signed With Kyrgyzstan

LD011101691 Moscow Radio Rossii Network in Russian 1100 GMT 31 Oct 91

[Text] A treaty on trade and economic cooperation for next year between the Republics of Uzbekistan and Kyrgyzstan was signed in the Uzbek capital on 31 October. This document envisages mutual deliveries of various kinds of raw materials, technological equipment, food products, and a wide range of consumer goods. The sides pledged to strictly observe the time limits and volumes of planned deliveries.